

Hungary's PM sets off down Thatcher path

BY LESLIE COLLIT IN BERLIN

MR KARBOLY GROSZ, the Hungarian Prime Minister who is visiting Britain this week, should give Mrs Margaret Thatcher, his UK opposite number, a pleasant break from the taunts of her Labour opponents and the hand-wringing of Tory wets.

An unshakable optimist, he said before leaving Budapest that he hoped she would stay in office for another 10 years. He arrives this evening and will see Mrs Thatcher and Sir Geoffrey Howe, the Foreign Secretary, before leaving on Saturday.

Mr Grosz, tipped by many Hungarians as a future party leader, presided the "outstanding significance" of Mrs Thatcher's efforts to restructure British industry. Hungary would have to follow the same path, as it was the "only way out" for its economy to move forward.

He was propelled into his present office by the politburo nearly a year ago, when alarm bells first rang about the nation's economic crisis.

The once-vaunted Hungarian economic reforms had become stuck in midstream. Hungary's gross foreign debt rose to nearly \$17bn last December (the highest per capita in eastern Europe), while inflation was steadily reducing real incomes. Mr Grosz launched an emergency austerity programme, which included highly unpopular personal and corporate income taxes, and value-added tax.

Pressed to the wall by economic circumstances, Hungarian politicians saw salvation in economic liberalism.

Mr Grosz admitted that Hungary, in its present situation, could not begin to think of reordering its economy as Britain had. However, the Government has taken some leaves out of Mrs Thatcher's book, favouring private enterprise within the limits allowed by communism. A new corporation law, "unique in eastern Europe," will be enacted next autumn, giving equal status to private companies, state corporations and co-operatives.

The prime minister noted that competition, a "major element" in the revived British economy, was now important for Hungary as well.

Mr Grosz said he had also studied the UK's anti-inflation pol-



Grosz: optimist

Mr Grosz said he admired the "consistency" with which Mrs Thatcher carried out concepts she felt were in the nation's interest. Even more remarkably for a member of the Hungarian politburo, he noted that "many in eastern Europe" respected Mrs Thatcher, who, since coming to office, had put an end to Britain's "declining role" in the world economy.

In Budapest this week the days when Communists yearned for that inevitable "final crisis of capitalism" seemed distant. The Hungarian leaders are more concerned with obtaining \$2.5bn in Western loans this year to service the nation's hard currency debt.

Echoing some comments from the Soviet leader, Mr Mikhail Gorbachev, who has praised Mrs Thatcher's "realism", Mr Grosz lauded her "pioneering role" in improving East-West relations. This, he noted, began in 1984 with her visit to Budapest.

Mr Rafique builds his dream mosque — in Ireland

OUT OF the bogs of the West of Ireland, a mosque is rising. Soon the dome, being built in Belfast, will arrive in the small town of Ballyhanna (population 1,338) in County Mayo and the dream of Mr Sher Mohammed Rafique, Pakistani farmer turned Irish meat millionaire, will be complete.

He is the founder and chief executive of Halal Meat Packers, a company which, in a little over 10 years, has grown into one of the world's biggest meat exporters.

According to Mr Rafique, Halal is by far the biggest sheep company in the European Community, slaughtering and processing 2.5m head each year. Halal also holds number two position in the EC in beef production. The company says its annual turnover in Europe alone is £250m.

Mr Rafique, along with such notable figures as Mr Charles Haughey, Irish Prime Minister, and Mr Vincent O'Brien, the racehorse trainer, is now listed as one of Ireland's richest men, with a personal fortune approaching £80m.

The Ballyhanna mosque, capable of accommodating 230 worshippers — along with a Moslem school, library and bowling green — is being built in the gardens of Mr Rafique's modern mansion opposite the Halal plant in County Mayo.

Ballyhanna itself, once a centre of unemployment and emigration, has been transformed by Halal's rapid expansion. More than 400 people are employed in the slaughtering, processing and boning halls at the plant. Local farmers find a ready market for their livestock.

Mr Rafique is the youngest son of a Punjabi farming family from Faisalabad in north-east Pakistan. He arrived in Britain in the 1960s as a student and worked on the London Underground and buses before going into wholesaling.

In 1971 Mr Rafique arrived in Ireland, trying to find meat to fulfil an export contract to Kuwait. He stayed on 17 acres

of bogland in Ballyhanna he started to carve out a factory complex which now dominates the town.

The Irish Government made available a total of more than £2m in grants. Nephews and other relations arrived in Ireland to cope with growing business. Halal now has seven plants in the Republic, one in Northern Ireland, three in Great Britain and a packaging plant in France. In total more than 1,500 people are employed.

"We have expanded rapidly, especially in the last three years, and will continue to do so," says Mr Rafique.

The meat trade is fiercely competitive and secretive. Some years ago there were allegations that Mr Rafique was having his telephones bugged by other meat producers envious of his meteoric rise to power in the business. However, Irish listeners would be apt to get nothing out of this but puzzlement: much of Mr Rafique's business is carried out in Punjabi.

Mystery surrounds exactly how the Halal Group has managed to grow, and how it raises

European Diary



Ireland

a seemingly limitless supply of cash. "The company is a complete enigma," said one Irish meat producer. "It is well connected and freely funded. It runs a tight operation but, in the last analysis, does not appear to buy or sell better than anyone else."

Many in the Irish meat business feel it has access to a powerful pool of cash from Pakistan. Mr Rafique says Halal never borrows to invest but

only for working capital. "Cash is a constant struggle. Every penny we make is ploughed back into the business," says Mr Rafique.

Ireland's meat millionaires are mighty people, said to wield significant political as well as economic influence. Only Mr Larry Goodman, head of Goodman International, is bigger than Mr Rafique on the national meat scene. Goodman International is, like Halal, a private company. Mr Goodman is thought by many to be Ireland's wealthiest individual. Goodman International's annual turnover is estimated in excess of \$600m.

Both Halal and Goodman International have been pioneers in the Irish meat trade, becoming increasingly involved in the value-added sector of the industry, using and packaging every possible part of the cow or sheep. Mr Rafique recently set up a canning operation. He also plans to become involved in fish processing and a large new project is in the pipeline.

Mr Rafique's four brothers and three sisters are all involved in Halal, in Europe and back in Pakistan. The family also owns a farm in Western Australia. "We are a family-run, private company. I see no possibility of Halal going public," says Mr Rafique.

Halal has benefited from its extensive contacts in the Moslem world, particularly in the Middle East, which now takes 60 per cent of total company exports. It has big sales contracts with Iraq and Egypt. It is also selling to South Africa.

As in all large meat processing plants in Ireland, Moslem butchers supervise operations to ensure all slaughtering is according to Islamic rites. Mr Rafique himself is a strict Moslem. A prayer mat lies in the corner of his Ballyhanna office: it is Ramadan now and even in the West of Ireland Mr Rafique and his family are on a strict daytime fast.

The family seems settled in the wilds of western Ireland. Mr Rafique says: "We have excellent communications here. We have Knock International Airport just up the road, and at last we have our mosque."

Base rate to rise one point in Finland

By Olli Virtanen in Helsinki

THE BANK OF Finland yesterday announced a rise in the base rate from 7 per cent to 8 per cent, as from May 16, in a new effort to slow consumer spending. In the past five weeks the central bank has also increased the banks' cash reserve requirements from 5.7 per cent to 6.5 per cent, squeezing a total of FM2bn (£228m) out of the markets.

Last week the Swedish authorities, in a similar move to curb overheating, raised the discount rate from 7.5 per cent to 8.5 per cent.

Mr Rold Kullberg, the Finnish Bank governor, said the aim was to keep the economy in balance and the current account deficit in check. Last year the deficit amounted to FM49.2bn and it was expected to rise this year.

Wage agreements this spring, coupled with the banks' liberal lending policies, had boosted consumption, he said. Finnish retail prices were expected to rise by almost 6 per cent this year, against 3.5 per cent last year. It was better to take action now rather than at the end of the year, said Mr Kullberg.

De Mita tries to take a grip on government spending

BY JOHN WYLES IN ROME

THE ITALIAN Treasury's powers to control government spending decisions look set to be substantially strengthened following a prompt decision by Mr Ciriaco De Mita, the new Prime Minister, to apply important provisions of the 1988 Finance Act.

These were among the few positive elements in the budget legislation in March, which will substantially worsen the Italian Government's deficit and debt problems unless Mr De Mita and his colleagues succeed in agreeing quickly a package of tax increases and spending cuts. The cabinet is expected this week to

begin discussing measures to reduce this year's forecast deficit of L122,000bn (£22bn) by L6,000bn to L17,000bn.

As required by the budget law, Mr De Mita has taken steps to ensure a better co-ordination and control of departmental spending initiatives, as well as stronger resistance to Parliament's appetite for lavishing money on special interest schemes. He has sent a 46-page document to all ministries setting out costing procedures to be applied before any new spending measure can be put to the cabinet for adoption. His move was being seen yesterday as a vital signal of the Government's determination to get to grips with the public spending problem, with the aim of wiping out its deficit on current spending net of interest payments — L29,000bn last year — by the end of 1991.

"Although it will not be easy to implement, I am glad that this is one of the first things he has done," said Prof Mario Monti of Bocconi University and one of Italy's leading private economists.

The new approach requires individual ministries to seek the Treasury's approval for decrees

or draft laws which will increase government spending or reduce its revenues. Only when the Treasury has approved can a measure be put to the cabinet.

Also, a ministry must inform the Treasury of any parliamentary amendment that affects spending or revenues so the Government can take an informed view on whether to support or oppose it. Moreover, any deviations from expectations in the application of legislation must also be notified to the Treasury and the prime minister's office.

Although Mr De Mita has supplied instructions as to the meth-

ods to be used in evaluating and communicating spending proposals, the most serious doubts about his initiative are over whether the Italian bureaucracy is able to implement them.

However, most experts agreed yesterday that, if he and Treasury Minister Giuliano Amato put their full weight behind it, then the public administration would be forced to respond. It was Mr Amato who wrote the requirements into the budget law, having publicly lamented last year his lack of control over spending decisions.

Lisbon may compensate for seized assets

BY DIANA SMITH IN LISBON

THE CAVACO SILVA Government in Portugal has begun a long-overdue study of compensation for 350,000 shareholders and proprietors dispossessed in the 1976 revolution.

Ever since the Government made public its wish to privatise 49 per cent of the capital of state companies created in 1976 by order of the military Council of the Revolution, the Confedera-

tion of Portuguese Industry (CIP) has pressed for fairer compensation and threatened to sue the state in international courts.

In 1980, the Government of the day paid out Rezn (€7.8m) — a tenth of the 1976 value of seized companies — in 28-year compensation bonds. Interest ranged from 13 per cent a year for small shareholders to 2.5 per cent for majority shareholders.

Several months after Prime Minister Anibal Cavaco Silva told the CIP that, if the claimants really had a case, his Government would try to act (though he did not feel responsible for revolutionary acts that were not "his doing"), the Public Credit Board is completing a study of what it terms the "conclusive value" of companies in 1976. The question is whether this exceeds the arbi-

Sweden invests in environment

SWEDEN HAS allocated \$21m over the next five years to establish an international environmental think-tank, Ms Birgitta Dahl, the Environment Minister, said yesterday. Reuters reports from Stockholm. She said the Government was providing more cash for the new institute than for the Stockholm International Peace Research Institute, a think-tank on military matters.

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Angola peace talks get under way

TALKS AIMED at ending the 13-year war in Angola and bringing independence to Namibia opened to London yesterday. They represent the first gathering around a table of the four governments directly involved in the linked issues...

Israel chases Palestinians in its security zone

ISRAEL'S RENEWED SHOW of force in southern Lebanon this week is the clearest indication to date of official concern at the increasing pace of infiltration by Palestinian guerrillas across Israel's northern border...



The Israeli army shot and killed three young Palestinians yesterday in clashes in the occupied West Bank, reversing confident official predictions that the unrest of the past five months was on the wane...

within the territories and actions mounted from outside was demonstrated last month, when an Israeli assassination squad shot Mr Khalil al-Wazir, the PLO's military chief, in Tunis. Until this week, the Israeli response to incidents on the border with Lebanon followed a familiar pattern: repeated bombing raids on Palestinian refugee camps near Sidon and Tyre...

Japan to reopen talks on China investment treaty

JAPAN has agreed to reopen negotiations with China for a long-delayed investment protection treaty and will cut interest rates from 10 to 7.5 per cent on long-term soft loans. Mr Souseike Uno, Japan's Foreign Minister, made the offers to Qian Qichen, China's new Foreign Minister, in a meeting yesterday that was cordial despite recent Chinese criticism of Japanese actions...



Uno prepared to talk first quarter of this year, after several years of large deficits and a recent threat by the Deng Xiaoping, the supreme Chinese leader, that economic relations could not develop unless trade was in balance...

NZ deregulates oil industry

NEW ZEALAND yesterday deregulated the country's oil industry, ridding it of price controls and restrictions that prevented imports of refined products. The Government also announced that agreement had been reached to pay the New Zealand Refining Company a subsidy of NZ\$86m (\$21m) over the next three years to run the country's only important refinery, Marsden Point at Whangarei in North Island. The company, which owns the refinery, is controlled by major oil companies operating in New Zealand and had been protected by regulations from competing refined imports...

agreements governing regulation of the industry, against the Labour Government. The new law means that imports can bypass the refinery by bringing cheaper petrol directly from overseas. At present, crude oil, whether imported or produced in New Zealand, is processed through Marsden Point. Mr Maisek said it was hoped the settlement would provide adequate help to enable the refinery to remain viable. "The government assistance is certainly not excessive and the company will need to run a highly efficient operation to stay in business," he said in the statement. The opposition National Party opposed the legislation.

Peking tells conservative journal to close down

FOR 30 years, Red Flag has been the bible of the average Communist Party member, trumping all card-carryers to attack bourgeois tendencies, to condemn the US running dogs and the Soviet revisionists, and, more recently, "to get rich through labour". Robert Thomson writes from Peking. Now the party has decided the magazine's post-revolutionary purpose has been served and that people read it more out of obligation than interest. If one damning rumour is to be believed, a few months ago Zhao Ziyang, the party boss, quipped: "Who reads Red Flag? I don't."

The closure has come as a surprise to ordinary party members and China watchers. On hearing that the magazine would fold, a Chinese office worker, not a Red Flag reader, was shocked: "I don't believe that. Red Flag is too important." With the "open policy" have come hundreds of new magazines on subjects far more interesting than dialectical materialism and other Marxist matters. The circulation of Red Flag has stagnated at about 3m, many million less than that of Popular Cinema and a couple of crime and fashion magazines. (A Chinese journalist claimed that in Peking, apart from the mandatory subscribers among party branches and other institutions, only four individuals subscribed.) Red Flag was at its peak of influence during the cultural revolution (1966-1976).

Antarctic minerals talks start

THE ANTARCTIC Treaty governments have started a month-long meeting to hammer out rules for commercial mineral exploitation on the southern continent. AP reports from Wellington. The talks will be the climax of six years of negotiations for a convention covering oil, gas and minerals development in Antarctica. Environmentalists, such as the Greenpeace movement, oppose any exploitation and want that the continent's mineral riches could become the cause of a military conflict as the world's natural resources dwindle. Greenpeace is campaigning to have the continent declared a "world park". There are 39 countries with geological programmes in the Antarctic, led by Australia which claims 42 per cent of the land mass. The US estimates there are 48ba barrels of offshore petroleum reserves as well as vast quantities of coal, copper, gold and uranium and other minerals. Mr Russell Marshall, New Zealand Foreign Minister, told representatives from the 37 Antarctic...

Treaty states that the talks, which opened on Monday, were designed to regulate, mining if it ever happened, not to open the continent to exploitation. He said there was no reference to oil and minerals exploitation in a 1959 Antarctic Treaty and a formal convention would plug that gap. The treaty parties agreed in 1977 to voluntary mineral restraints. By 1981 the basic framework of an accord had been established and the first session of a special consultative group met in Wellington in June 1982.

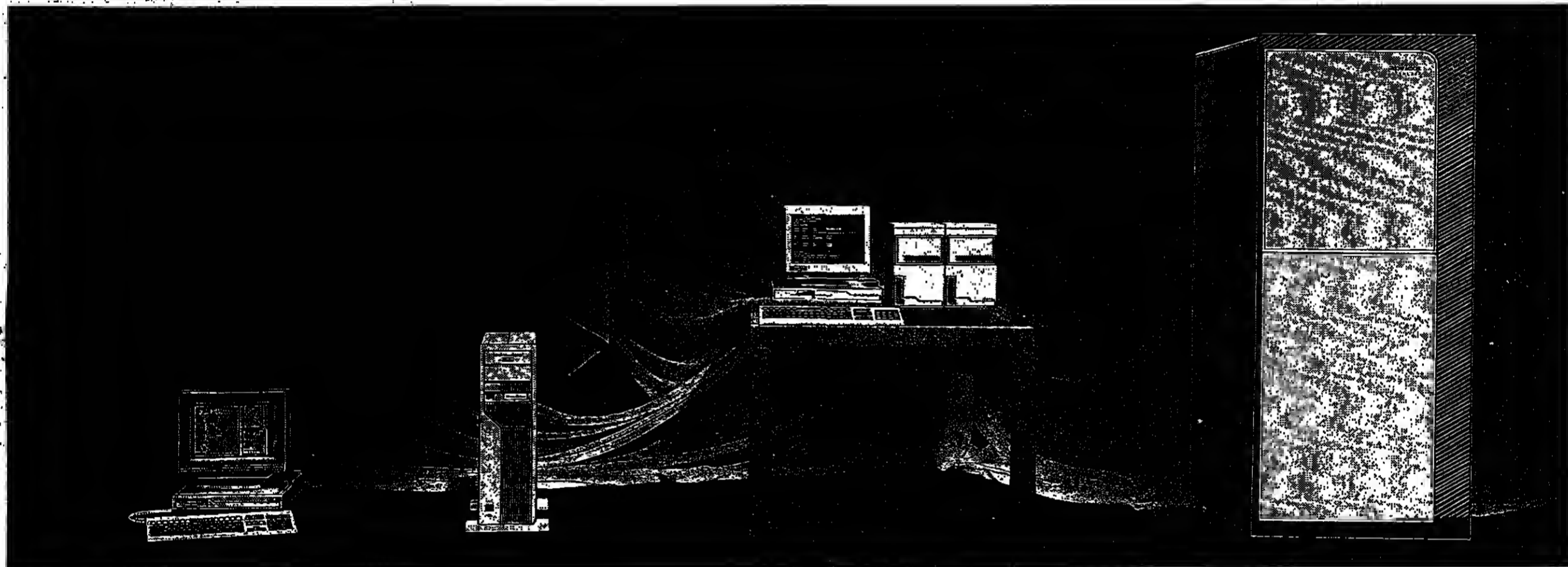
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David Marsh interviews a key German industrialist fighting on several fronts at once
Bonn faces the strains of the Airbus project

MR Hans Arnt Vogels, chairman of Messerschmitt-Bölkow-Blohm (MBB), the West German aerospace and weapons group, is fighting an industrial battle on several fronts at once. As the new chairman of the West German aerospace industry association (BDL), grouping companies with a total turnover of about DM 21bn (26.7bn) and with 85,000 employees, he will be presiding today over the opening of the biennial Hanover air show. It is a crucial time both for MBB and for the range of collaborative European aerospace projects which provide his company's lifeblood. Mr Vogels, aged 62, is a small, peppery man with a professional manner, who has been head of MBB since 1983. In a wide-ranging interview recently at his heavily-guarded villa retreat in the southern German Alps, Mr Vogels spoke plainly of the challenges facing MBB in both the civil and military areas. These stem largely from the European Airbus programme, which is pressed for cash and in which MBB is the West German partner, and on the four-nation European Fighter Aircraft (EFA) project where MBB (with much of the rest of the European defence technology industry) is waiting impatiently for a formal go-ahead from the Bonn government. In view of high West German production costs, the strong Deutschmark, Mr Vogels issued a strong call for aerospace co-operation with low-cost manufacturers in south-east Asia. He also backs firmly the West German government's proposals for Daimler-Benz, the giant vehicles and technology conglomerate, to take a sizeable stake in MBB. This would end the long



Hans Arnt Vogels (left) issued a strong call for aerospace co-operation with low-cost manufacturers in south-east Asia

search for a new dominant shareholder for MBB. Now owned by a disparate grouping of West German state governments, industrial and financial shareholders, MBB needs stronger capital backing to increase its weight in international competition. Mr Vogels voices concern over the effect of the West German budgetary squeeze on defence spending. This is raising problems for MBB and for Krauss-Roßner, the Bavaria-based maker of the Leopard 2 battle tank, over which MBB has management control. His support for maintained western defence efforts to face the military threat from the Soviet Union is in tandem with support for cautious relaxation of western controls on technology transfer to the eastern bloc. The Soviet Union, fresh from its latest manned space station successes, during the last few weeks has offered West Germany co-operation in the space field. MBB, as the main German partner in European collaborative space projects, is keenly interested in this idea, and contacts with the Soviets could be taken a step further at the Hanover air show. Mr Vogels also believes that Moscow could ask Europe for help in collaborating on a new range of Soviet fighters for the 1990s. This would provide headaches for Cocom, the Paris-based organisation which polices western transfers of technology. However, with Cocom moving towards a formal decision in the next few weeks on allowing sales of Airbus and Boeing airliners to east-European, western governments are showing more pragmatism on high-tech trade with the east. Mr Vogels is still some way

from achieving his goal of reducing MBB's dependence on military and government business and increasing its efficiency in private sector markets. The company, which made a small profit last year (after a group net loss of DM104m in 1986) on turnover of DM6.2bn, relies on military orders for 44 per cent of its business. Mr Vogels has led a bid to move into new areas such as composite materials, rail transport systems, robotics and solar energy. His mountain residence near the Austrian border offers scope for practical diversification. The villa - proof of the seriousness with which defence industry executives take the threat from left-wing terrorists - is protected by sophisticated security systems with MBB software. At the Hanover air show, Mr Vogels's attention will be very much on the Airbus. A further meeting of ministers from France, West Germany, Britain and Spain tomorrow will attempt to reshape MBB's shareholding structure, Mr Vogels says. The entry of Daimler-Benz would be a "medium- and long-term contribution to improve the structure of the West German aerospace industry." However, the Bonn government needs to make decisions in the next few months on providing more funding support for Airbus, independently of whether or not Daimler makes up its mind on taking an MBB stake, he says. Mr Vogels sees a firm link between the Airbus and the EFA jet fighter project. "From the point of view of assuring our production capacities, also in technology transfers between the two programmes, these two projects are a condition for western Europe's technological competitiveness in coming decades." He says firmly that MBB has done its maximum in bringing down Germany's share of development costs for the EFA. It is now up to Bonn to give the green light for the project, following Britain's approval of the programme last week, he says. Mr Vogels has a firm riposte for those in West Germany who believe that, in view of superpower disarmament and Soviet leader Mikhail Gorbachev's reform efforts, the west can now slacken defence spending. "The nuclear umbrella for Europe has been pulled back, both in words and reality, exposing western Europe to the particular conventional superiority of the east. We cannot afford - just because of a bit of glasnost - not to make special efforts in conventional defence, he says. Stepping up his plea for the EFA, he recalls in a somewhat chilling historical footnote that Germany saw in the second world war how loss of air superiority had a "decisive influence" on the fighting ability of its army. Over the long-running efforts to reshape MBB's shareholding structure, Mr Vogels says the

UK to help build £200m aerospace wind tunnel

By Michael Donne, Aerospace Correspondent
THE UK will spend up to £50m helping to develop a £200m transonic speed wind tunnel for aerospace research, to be built at Cologne, West Germany, under a four-nation European agreement. The UK will pay 28 per cent of the construction costs, with France paying the same, West Germany 38 per cent and The Netherlands 6 per cent. The UK, France and West Germany will have an equal share, of 31 per cent each, in the operation of the tunnel, with The Netherlands having 7 per cent. The UK participant will be the Royal Aerospace Establishment, Farnborough. The agreement was signed by Ministers from the four countries last week. The tunnel, known as the ETW (European Transonic Wind Tunnel), is seen as giving the European aerospace industries an opportunity to work together in future aerospace developments. The facility will be able to simulate transonic speeds - speeds just above and just below the speed of sound (Mach One or about 760 mph at sea level). This will be achieved by passing high speed air flows through the tunnel at temperatures down to minus 180 degrees Centigrade, leading to more accurate and efficient designs of aircraft, and thus reducing financial risks in development. The UK share of the facility is being divided equally between the Department of Trade and Industry and the Ministry of Defence.

Gatt round failure 'may lead to fresh stock market crash'

By William Dullforce in Geneva
FAILURE to show progress at the mid-term review of Gatt's Uruguay Round of negotiations in December could trigger a repeat of last October's stock market collapse, said Mr William Eberle, former US Special Trade Representative. He gave his warning during discussions in Geneva on Monday by 28 corporate executives representing the International Chamber of Commerce and trade negotiators from 37 countries. Mr Eberle is a businessman and chairman of the ICC's international trade policy commission. Governments negotiating in Geneva should do everything in their power to raise the confidence of business and the markets that effective remedial measures were being taken on the trade front, Mr Eberle said. Some negotiators doubt whether firm agreements on crucial issues, such as trade in farm products and services, can be reached by next December. However, the ICC businessmen insisted that a positive signal would be needed then from trade ministers "to boost the waning confidence of investors and traders." They listed six issues on which they considered evidence of progress could be expected when the ministers meet in Montreal. These included firm commitments by governments to roll back protectionist trade measures and agreement to reinforce Gatt. The ICC favours strengthening the Gatt dispute settlement system and the introduction of periodic reviews of national trade policies by Gatt. Further goals for ministers at the mid term should be to reverse the crisis in agricultural trade, strengthen intellectual property rights and set out rules for liberalising trade in services, the ICC team suggested. Ministers should also agree to free trade in tropical products in response to the urgings of developing countries. New Zealand and the European Community yesterday failed to resolve a dispute over EC import quotas on apples, a New Zealand delegate said, Reuters reports from Geneva. On April 20 the EC imposed quotas on apples imported from the southern hemisphere, including Argentina, Australia, Chile, New Zealand and South Africa. New Zealand maintains the EC import quotas violate a contract giving Wellington the right to sell apples in Europe's off-season, between April 1 and July 31. Under the reduced EC quota system fixed for the period February 15 to August 31 of this year, New Zealand has a 115,000 tonne limit, against the 135,000 tonnes which Wellington had expected to sell, the New Zealand delegate said. Wellington has estimated the restriction will mean an annual trade loss of between NZ\$40m and NZ\$50m, he added. Chile has informed the Gatt secretariat it will call for a dispute settlement panel to be set up to examine the EC's apple import licensing system at today's meeting of the Gatt Council and the introduction of peri-

India and Soviet Union in moves to boost trade

K.K.SHARMA IN NEW DELHI
INDIA and the Soviet Union have enhanced their efforts to increase bilateral trade over the next decade. Indian companies are to be given a big role in construction programmes in the Soviet Union and Moscow has offered to supply civil aircraft to India for use on its domestic and international routes. High-level delegations from the two countries have agreed that Indian companies will build at least 70 hotels - and roads, bridges, hospitals and schools - in the Soviet Union. Agreement in principle was reached earlier, but for Indian companies to have concluded contracts to build only three hotels in the Soviet Union. It has now been decided that 10 of the hotels, of which there is a serious shortage in the USSR, are to be built by 1990. Thirty more will be built in 1990-95 and another 30 in 1995-2000. The sites for the hotels have yet to be selected. Even so, many Indian businessmen have expressed the fear that Soviet procedural and bureaucratic bottlenecks could delay finalisation of construction contracts and the establishment of joint ventures, plans for which are now being discussed. To deal with such complaints, the two countries are to set up a body to identify partners among Indian and Soviet organisations. The latest decisions are part of efforts to increase bilateral trade by 250 per cent over the next decade. This was agreed when Mr Mikhail Gorbachev, the Soviet leader, held talks with Mr Rajiv Gandhi, Indian Prime Minister, in New Delhi about 18 months ago. The Soviet aircraft offer could provide serious competition to Boeing of the US and other western aircraft manufacturers whose aircraft are being used by Air India, the international airline, and Indian Airlines and Vayndoot, the two domestic airlines. The Soviet Union is to organise demonstration flights of TU-154s, Yak-42 and AN-28 aircraft in India this year.

Argentine military trainer jet attracts US interest

BY TIM COONE IN BUENOS AIRES
ARGENTINA'S new military trainer jet, the IA63-Pampa, has attracted keen interest within the US Air Force as a possible replacement for its Cessna T-37, according to diplomatic sources in Buenos Aires. The US Air Force, which has cancelled its own T-46 programme, is in the market for a trainer and could order up to 600 aircraft. A Pampa deal would be worth about \$2.4bn to Argentina. Mr Robert Pastorino, US Defence Under-Secretary, recently visited the plant where the Pampa is manufactured. This was seen in Buenos Aires as a follow-up to reports on the aircraft by US test pilots. The Pampa, a subsonic jet trainer, which first flew in 1985, is going into series production of 68 aircraft for the Argentine Air Force. The aircraft has been the subject of a big marketing effort by Aeronáutica Córdoba, the State company which has designed and built it with assistance from Dornier of West Germany. AMC has identified 15 potential foreign buyers, of which the US is the most important. The company claims that the IA63 is competitively priced at \$4m each, and has avionics superior to those of equivalent European models. The closest competitors are the Dassault-Breguet Alpha jet and the Spanish Casa Aviojet. The US is to provide \$17m-\$18m in spare parts for the IA63. Empty helicopters and M-113 armoured personnel carriers operated by the Argentine army, as a result of Mr Pastorino's visit and the parallel visit of General José Dante Caridi, the Argentine army chief, to the US. Finance for the deal has still to be arranged. According to diplomatic sources, no direct US government finance will be involved and so manufacturers' credit is the most probable source. More extensive deals with the US, involving the sale of new equipment and spare parts for the McDonnell Douglas A4 Skyhawk operated by the Argentine Air Force and Navy, are apparently being made subject to Argentina declaring a formal end to hostilities with the UK over the Falkland Islands.

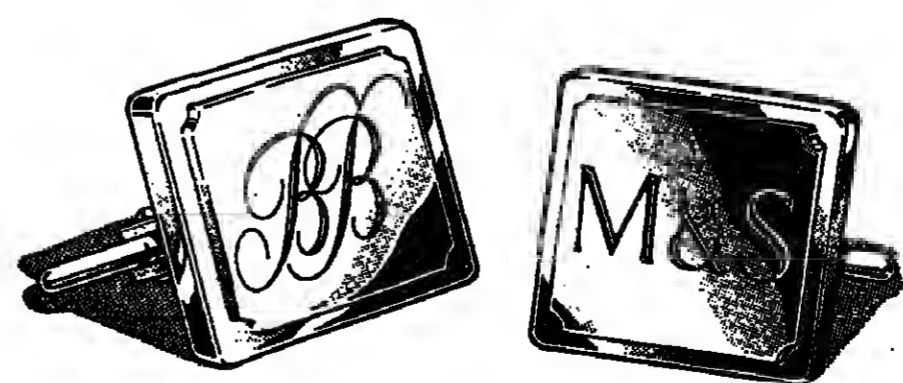
Hong Kong group to build Philippines power stations

BY DAVID DODWELL IN HONG KONG
HOPEWELL Holdings, the Hong Kong construction group controlled by Mr Gordon Wu, has signed a letter of intent to build two electric power stations in the Philippines at a cost of about \$700m. The letter, agreed with the Philippines State-owned National Power Corporation, calls for negotiation of a contract to build a 300MW gas turbine power station, and a 700MW coal-fired plant, both near Manila. Hopewell has agreed to complete the gas turbine plant within one year, with the second larger plant in service by June 1991. The company recently completed a power plant at Shajiao in China's Guangdong province, which has two generators of 350MW each, built in collaboration with Cosem of the UK. It is planning a second plant at Shajiao, due to be complete early in 1991. Hopewell has agreed to raise finance for the Philippine power stations in return, the National Power Corporation is to buy a minimum quantity of electricity from each plant - for 12 years in the case of the gas turbine plant, and 20 years in the case of the coal-fired plant.

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UK NEWS

British Telecom loses monopoly over payphones

BY DAVID THOMAS

BRITISH Telecom's monopoly over the supply of payphones has been abolished by the Office of Telecommunications (OfTel), the industry's regulatory body. Yesterday's move is expected to result in a big increase in the number of private payphones - those in pubs, shops, restaurants, garages and other outlets rather than street kiosks. It means companies will be able to bypass BT when supplying private payphones. Customers will be able to buy the phones as well as rent them. BT refuses to sell private payphones, arguing it needs service contracts to ensure they are maintained. OfTel is also likely to ask the Government to approve further changes allowing payphones on private premises to be serviced by people other than the occupier, opening the door for private payphone operators to emerge in competition with BT. OfTel's statement was followed by the first announcement from an independent telecommunications equipment supplier that it was entering the private payphone market. Southwestern Bell Telecom, the UK arm of Southwestern Bell, one of the large US

regional telephone operators, said it would sell a private payphone for £215 plus value added tax as soon as it completed the equipment approvals procedures. Southwestern Bell Telecom announced plans last June to sell a range of equipment into the liberalised UK telecommunications market. There are more than 300,000 payphones on private premises in Britain compared with about 80,000 public callboxes. Mr Stephen Carter, Southwestern's UK managing director, predicted that liberalisation would stimulate demand for 50,000 private payphones over the next year. His company was aiming to supply more than half of these. He also said that companies, such as television and video rental operators, might begin to service payphones if the Government decided to liberalise the running of private payphones. Southwestern Bell has already held preliminary discussions with a number of such concerns. Plessey, the UK electronics group, is also known to be interested in the possibility of supplying and maintaining payphones.

TV COMPANIES FAILED TO SHOW 'HIGH SENSE OF RESPONSIBILITY'

Gibraltar claims stir Tory anger

BY TOM LYNCH

MRS MARGARET THATCHER, the Prime Minister, yesterday led a display of Conservative anger over last week's ITV documentary alleging that the three IRA terrorists killed by the SAS in Gibraltar in March may have been trying to surrender.

She told MPs at Question Time in the House of Commons that she shared the concern of Tory MPs over the decision by the Independent Broadcasting Authority to allow the film - made by Thames Television's This Week programme - to go out before an inquest had been held.

The Prime Minister referred to a report on the law of contempt which identified the "high sense of responsibility" within the press and broadcasting as one reason why there had not been a trend towards trial by the media in the UK.

"Neither Thames TV nor the IBA demonstrated that high sense of responsibility," she told MPs.

Her anger was reflected later by Mr George Younger, the Defence Secretary, when he made a statement about the two weekend IRA outrages in the Netherlands, in which three off-duty Royal Air Force personnel were killed and three were injured.

Mr James Molyneux, the leader of the Official Unionists,



George Younger: statement on Netherlands killings

said it was "a sobering thought that if those young men had been armed, if they had shot any of their assassins, they would by now have been branded as murderers in advance of any hearing." Mr Younger told him: "I do not think those considerations

will be lost on any people in this country." He also expressed sympathy with Mr Richard Holt (Conservative) who argued that questioning by leading Labour politicians of the Gibraltar shootings was "the language that supports the IRA".

Sir Anthony Grant (Conservative) urged Mr Younger to "make the strongest possible representations to the proper authorities that they should not put out any programme whitewashing the IRA in anticipation of the legal process."

Mr Tony Marlow (Conservative) said most people were "not over-squeamish about the way IRA terrorists meet their end."

From the Labour front bench, Mr Danzil Davies, Labour's defence spokesman, made no direct reference to the Thames TV programme, but he carefully emphasised that the best way to punish those responsible for the murders in the Netherlands was to arrest them and subject them to the due process of law.

He joined Mr Younger in "total condemnation" of the killings and urged extra security measures for servicemen's married quarters both abroad and in the UK.

He questioned the continued use of distinctive number plates on private cars owned by members of the armed forces serving in West Germany, where the IRA's victims were based.

Mr Younger said the possibility of using West German number plates would now be considered again.

Brooks Bros brand to join St Michael at M and S stores

BY MAGGIE URRY

MARKS AND Spencer, the UK chain store group which has built its St Michael name into one of the largest brands in the country, will break with tradition and introduce a new brand - Brooks Brothers - into its Marble Arch store in the west end of London this autumn.

Opening Brooks Brothers departments within selected M and S stores is one of the plans outlined by the group yesterday after the completion of its £750m (£400m) acquisition of Brooks Brothers, the US menswear retailer.

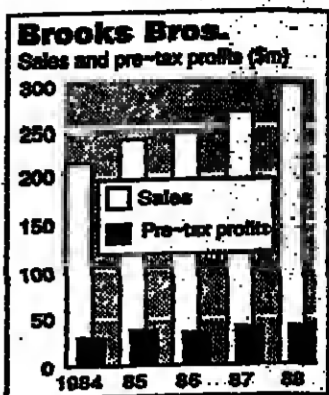
The deal, closed over the weekend, was originally agreed in February with the former owners, Campeau, the Canadian property and retail group.

Lord Bayner, M and S chairman, said the purchase "represents an important step in fulfilling our objective to become an international retailer based on a company with an unrivalled name and reputation."

Brooks Brothers, which has 47 shops in the US and, through a joint venture, 21 in Japan, made a pre-tax profit of \$41.8m on sales of \$39.1m in the year to end January 1988.

The assets being acquired are valued at \$80m, necessitating a \$340m goodwill write-off in M and S's balance sheet. However, this will be more than made up by a revaluation of the group's UK properties adding £50m to its assets.

Mr Keith Oates, M and S finance director, said that cost-saving measures already implemented would add about \$7m to Brooks Brothers profits in a full year. He estimated that the acquisition would dilute M and



Brooks Bros. Sales and pre-tax profits (\$m)

S's earnings per share by around 2 per cent in the year to end March 1988.

M and S hopes to open 10 Brooks Brothers shops a year in the US. Seven are planned for 1988, plus a further four shops in Japan. Openings in Europe, apart from those inside M and S shops, will follow as sales are found. Aside from Brooks Brothers, M and S plans to open other shops in the US. As part of the deal with Campeau, M and S has preferential rights, valued at \$30m, to take shops within Campeau's 62 malls in the US and Canada. These could be shops from M and S's other North American chains.

M and S will also have the exclusive right to open food departments within Campeau's department stores. Mr Oates reckons 300 of Campeau's department stores offer prime possibilities. The acquisition of a small food retailer is likely to give M and S a base from which to expand.

Lex, page 26

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Statistical accuracy called to account

BY SIMON HOLBERTON

THE Central Statistical Office is considering an inquiry into how to improve Britain's key economic statistics, the national accounts, following criticism by Members of Parliament of their reliability.

The accounts, which provide a statistical description of the overall performance of the economy, were last week criticised by the Treasury and Civil Service Committee, which said their unreliability meant the Government had no accurate way of forecasting the economy.

The CSO and its principle Government user, the Treasury, are already concerned about deficiencies in the accounts. Both realise these deficiencies have called into question the ability of the Treasury to forecast developments in the UK.

Senior Whitehall officials said that the problems had worsened over the past two years. One noted: "We can't continue to produce statistics that don't even give an approximate view of what has happened in the economy."

The CSO is discussing internally ways to improve them, but the way forward is far from clear.

Before making any changes, the office would need the agreement of the Department of Trade and Industry which has administrative responsibility for the Business Statistics Office, one of the major centres for the collection of figures on the economy.

In spite of a general recognition that something needs to be done to improve the quality of the accounts, changes may require the use of more financial resources, more statutory inquiries of industry and possibly a reassessment of the decentralised nature of the collection of statistics for the accounts.

One senior official said that while the Treasury had a strong interest in receiving high quality statistics, the need for more reliable figures would have to be balanced against the need not to increase administrative burdens on industry.

The Commons committee asserted that it was virtually impossible to know with precision how the UK economy grew in 1987 from the data provided by the CSO. In particular, there is a huge statistical difference between the results obtained from the measurements of gross domestic product depending on whether the income or expenditure figures are used. This difference, equal to about 2 1/2 per cent of GDP based on income, is known as the residual error.

Equally important are the problems with national income figures. These have grown to such proportions that official measures of the savings ratio, for example, have become discredited.

Manchester Business School advertisement for 'TWO TOP COURSES FOR SENIOR MANAGERS'. Includes details for 'EXECUTIVE DEVELOPMENT PROGRAMME' and 'SENIOR EXECUTIVE COURSE'. Includes a coupon for more information and a contact form for the University of Manchester.



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The 260E and 300E. But can you tell the difference?

No-one would suggest that buying a Mercedes-Benz is a decision you should rush or take lightly. Far from it. It's only when you take the time to consider the facts that a Mercedes-Benz seems such an obvious choice. Consider the 300E for example. Like all Mercedes-Benz cars it is not engineered to perform a few specifics superbly well but to perform every function superbly well. Avoiding extremes in any single area, in pursuit of the very highest competence overall. Few cars have the ability to strike the same balance between comfort, handling, performance, safety, reliability and re-sale value. The dilemma then is when you look for a four door saloon, luxurious in its comfort, tenacious in its road-holding, reassuring in its safety and exhilarating in its performance, is not which car but which other Mercedes-Benz.

Introducing the 260E. It shares the identical aerodynamic body and the same power base as the 300E. The difference in horsepower and torque of the six cylinder engines is mainly attributable to their different displacement: 2962cc 188DIN/hp for the 300E versus 2599cc 166DIN/hp for the 260E.

They are power units designed to reconcile very high power and torque output with extreme smoothness and very quiet running in an engine as light and as compact as possible.

Although not exceptionally large engines by today's standards, they are still powerful enough to comfortably shift both cars to test track speeds of over 130mph.

The engine block itself is a lightweight casting, deep-skirted and externally ribbed for enhanced rigidity. There are seven main bearings and to promote running smoothness, no fewer than twelve crankshaft counterweights.

The Mercedes-Benz 300E or 260E?

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Engine aspiration is governed by an ingenious electro-mechanical fuel injection system. A mechanical fuel injection system ensures swift, responsive performance and robust dependability, whilst an advanced electronic unit fine tunes the engine by precisely monitoring engine speed, temperature and airflow. The fuel flow is continuously adjusted to achieve optimum efficiency and economy.

Both the 300E and 260E have four speed automatic transmissions as standard with a five speed manual gearbox as a no-cost option. The automatic transmission with its manual-style lever has an easy action stepped-gate with a sporty flavour of its own especially when hard throttle pressure automatically kicks it down for maximum acceleration.

The Mercedes-Benz suspension system, with shock absorber struts at the front and the unique multi-link layout at the rear, gives phenomenal road-holding to cope with such powerful performance. Cornering ability, straight line stability and handling predictability can seem almost uncanny.

The ability to combine soul-stirring pleasures of high performance with hard-headed advantages of high mechanical efficiency is an exceptional feature of these cars. With the added reassurance of ABS braking as standard and energy absorbing front and rear crumple zones with the rigid passenger safety cell (invented by Mercedes-Benz in 1951) they stand far ahead of would be rivals.

But what separates them from each other? The 300E accelerates from 0 to 62mph in 8.2 seconds and the 260E does it in 9.5 seconds (manufacturer's figures). The difference is 1.3 seconds precisely. By now, you should have made up your mind.



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UK NEWS

UNION IN CRISIS OVER MARITIME DISPUTE

Seamen take a calculated risk over sequestration

BY JIMMY BURNS AND PHILIP BASSETT

Five months of conflict

LEADERS of the National Union of Seamen hope that yesterday's High Court sequestration of the union's assets will prove to be a blessing in disguise.

At a time when many seamen remain unsure of whether or not to walk out in solidarity with the P&O strikers, the NUS calculation is that the court decision will close their ranks behind the collective defence of the struggling union and eventually pressurise P&O back to the negotiating table.

Ever since Mr Sam McCluskie, the NUS general secretary, first called out his members in a national ferry strike in support of Isle of Man seamen at the beginning of February - potentially flouting the law on secondary industrial action - the union leadership has played for high stakes.

And yet for all their public bullishness, NUS officials privately concede that the union's latest tactic of virtually begging for sequestration may yet turn out to be the one that finally sounds that deathknell of the union, rather than ensures its survival.

THE National Union of Seamen yesterday saw the sequestration of its entire assets arising out of its dispute with P&O European Ferries, which at the weekend restarted a ferry service to and from Dover in spite of the union's strike.

Principal events of the dispute so far include:

December 4 1987 - P&O European Ferries (known as Townsend Thoresen until October) discloses it is talking to the NUS about plans to reduce costs on cross-Channel services.

December 29 - NUS members at Isle of Man Steam Packet ferry company strike over new pay and conditions offer.

January 19 1988 - P&O warned of possible industrial action by NUS.

January 27 - P&O withdraws formal March 4 deadline for revision of terms and conditions agreement with NUS, averting possible action.

January 28 - Isle of Man Steam Packet dismisses 181 NUS members.

January 30 - NUS calls national 24-hour strike over sackings.

February 1 - P&O and Sealink obtain injunction preventing strike on grounds of secondary action.

February 2 - NUS defies court order and stages first national strike since 1981.

February 4 - P&O and Sealink seek sequestration of NUS assets for breaking court order as strike continues.

February 8 - Sequestration hearing begins.

February 11 - NUS fined £7,500, plus estimated costs of £100,000 for court defiance.

February 15 - P&O seamen at Dover vote to continue strike over company's cost-cutting plans as Isle of Man Steam Packet dispute ends.

February 29 - Talks start between P&O and NUS.

March 4 - P&O extends deadline on working practice proposals to March 15.

March 8 - Conciliation service Acas intervenes.

March 15 - P&O issues dismissal notices to all Dover seamen after talks collapse.

March 21 - NUS announces national strike ballot over P&O.

March 22 - P&O reports £200m rise in 1987 pre-tax profit.

March 25 - High Court orders NUS not to call strike ballot and awards P&O suspended sequestration order.

March 27 - NUS confirms plans to announce ballot results.

March 28 - NUS cancels national strike ballot.

March 31 - At Acas, P&O modifies demands with new proposals.

April 1 - NUS/P&O talks of Acas collapse and company warns it will approach seamen directly.

April 6 - P&O seeks preconditions on working practices from NUS before talks can start.

April 16 - P&O makes improved offer directly to strikers.

April 21 - Talks restart after P&O claims new offer accepted by 900 seamen, but break down after 45 minutes. Company announces "firm intention" to put ferries back to sea the following week.

April 24 - Company begins preparations in Rotterdam for restarting services in attempt to break strike.

April 25 - P&O to withdraw recognition from NUS, and place advertisements seeking ferry job applications from non-union as well as unionised labour.

April 26 - Heavy picketing at Dover.

April 27 - Company files 270 seafarers to Rotterdam to man ferries. Sealink applies to High Court for contempt ruling against NUS. Union fails to obtain injunction preventing P&O from recruiting non-union labour.

April 28 - Court adjourns application again to allow for Acas talks as sympathy action spreads to other ports.

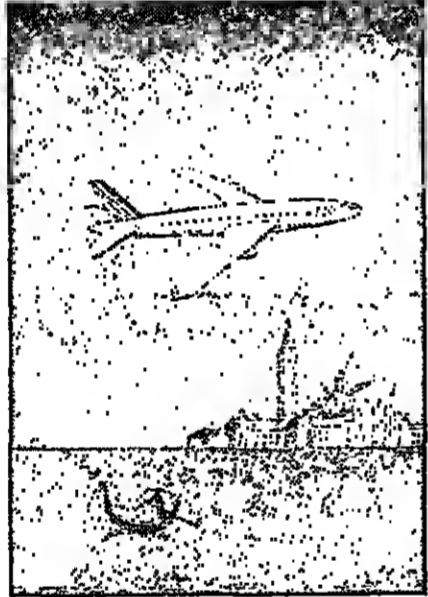
April 29 - Urgent Acas talks produce Sealink settlement. P&O refuses to accept its part in it, then NUS repudiates deal.

April 30 - Two P&O ferries, Pride of Kent and Pride of Bruges, dock in Dover in first sailings since strike began.

May 1 - First passengers and freight carried on two ferries.

May 2 - P&O tries to restart service from strikebound Portsmouth.

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FINANCIAL TIMES
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Air misses take downward trend

By Michael Dornie

A LONG-TERM downward trend for "risk-bearing air-misses" involving commercial aircraft continued last year, according to statistics issued yesterday by the Civil Aviation Authority.

These show that for the eight months from January to August there were six incidents, compared with eight in the same period of 1986.

The CAA says that this improving trend is more apparent when comparing the number of risk-bearing air-misses with the number of hours flown by commercial transport aircraft in the UK airspace.

For the four months from May to August last year, there were 237,000 such hours flown, with only 0.8 risk-bearing air-misses per 100,000 hours flown in that period.

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UK NEWS

Brussels to investigate French 'threat to lawyers'

BY HAZEL DUFFY

THE EUROPEAN Commission has agreed to investigate complaints by British lawyers that a law proposed by the French Government threatens to curtail severely their activities in France.

The lawyers say that the draft law, if enacted, would run directly against European Community plans for a single European market in 1992.

They maintain that some French lawyers want to exclude foreigners from meeting the growing demand for legal work in connection with international financial and commercial transactions at a time when Paris is being promoted as an international financial centre.

The draft law seeks to reserve key practices, such as giving legal advice and drafting legal documents, to members of the French legal profession and members of other regulated professions in France.

The request that it be investigated was made recently by the British Government to Lord Cockfield, the European Commissioner for the internal market. The Commission will not proceed until the new French Government is in place.

Representations have also been made to the European Commission by Mr John Toulmin, a barrister who heads the UK delegation in the CCBE, the European lawyers' group, and the Law Society.

The Paris offices of the big City of London firms of solicitors, which have expanded rapidly in the past few years, would be most at risk. The American and Dutch law firms, which are also well established in Paris, would be affected similarly.

City law firms in France are mostly concerned with giving advice on the French and English legal aspects of cross-frontier transactions. For this, they employ French lawyers and work closely with the legal profession.

Current interpretation of the French Government's proposed law, now in its second draft, is that the practices of foreign firms which have set up since 1971 when a new profession of *conseillers juridiques* was set up in an attempt by the Government to regulate the French legal profession - would become illegal.

Linklaters & Paines would be one of the firms so affected. City firms set up before 1971, which were given *conseillers juridiques* status, will no longer be able to practise as English partnerships or use the name of their firm.

Clifford Chance, the largest City firm, would be one of several in this group. Mr John Simpson, senior partner in Linklaters & Paines' Paris office, said the proposed law "would make it more difficult for individual lawyers, and impossible for legal firms, from elsewhere in Europe to establish in France. The proposal runs directly against the spirit of the Treaty of Rome and the avowed intention of the single market."

British lawyers may find it difficult to muster much support other than from their Government, however. Brussels is likely to agree that the French plans are against the spirit of 1992. However, it might be difficult to take the French to task.

Throughout the Community, the legal profession, with its various restrictive practices, is proving difficult to deregulate, while some countries have imposed new restrictions on foreign lawyers.

British lawyers fear they can expect little support from their colleagues in the CCBE, given that Greece has introduced a law which makes the giving of legal advice a monopoly for its lawyers. Spain and Portugal have tried something similar, while the position in Germany is unclear, after the recent declaration by the constitutional court that a highly restrictive law with respect to the legal profession has been declared unconstitutional.

IN BRIEF

Ladbroke applies for PMU Belge operations

LADBROKE Group, the betting, hotels, retail and property company, has applied to run the operations of the Pari Mutuel Urbain Belge, Belgian equivalent of the Tote. The approach was unsolicited by the Belgians, our Financial Staff writes.

PMU Belge, with 2,000 outlets has an exclusive licence for off-track betting on Belgian racing. On turnover, however, Ladbroke is already the market leader in Belgium, with 1,000 betting shops taking bets on French and other foreign racing. It also takes bets on Belgian races on commission for PMU Belge.

Approval for Hamilton

Hamilton Brothers, the US oil company, yesterday received final approval for the \$1.4bn development of Ravenspurn North, a gas field in the southern gas basin of the North Sea.

Nearly 250m worth of orders associated with the Ravenspurn development has already been placed with UK companies. Ravenspurn North, discovered in 1984, has estimated reserves of between 1,200 and 1,400 billion cubic feet of gas.

Scottish electronics

A new Scottish company intended to fill a gap in the supply of components to electronics multinationals based in Scotland, has been formed as a result of an initiative by the Scottish Development Agency.

The new company, Domain Power, will design and manufacture switch-mode power supplies for use in electronic products. The company, capitalised at \$1m, is being funded the SDA's investment division, Investors in Industry (3I) and Barclays Bank, with leasing assistance from Barclays Mercantile Business Finance.

Boost for Irish linen

Northern Ireland's linen industry has received a major boost in the form of a £17m investment in a new flax spinning mill at Sion Mills, County Tyrone. The project, which will create 280 new jobs over three years, is being undertaken by Herdmans, one of the UK's leading linen producers.

The purpose-built plant will be the first new flax-spinning mill to be constructed in western Europe for 25 years. James Mackie & Sons, the Belfast engineering firm, has secured an £8m order to supply flax-spinning machinery to the mill.

On completion the mill will be producing 2,500 tonnes of yarn a year, making Herdmans the world's largest independent producer of linen for the apparel and high quality domestic textile markets.

Brokers on call

Mobile car-telephone technology made a new market breakthrough yesterday when one of the cellular units which form the backbone of this system was installed at the Baltic Exchange.

The installation will be used to make connections to personal telephones carried around by Exchange members, who are principally engaged in broking for the shipping market. This is thought to be the first time that digital mobile technology has been applied to a market of this kind.

The private telephone exchange run by the Baltic will be linked to a cellular transmitter and receiver, which will route calls to individuals anywhere in the building. Calls from brokers' mobile phones can also be routed onto other Exchange members outside the building in the City of London using the present system of private leased lines - at cheaper rates than the normal cellular system.

Biotechnology research

A new biotechnology company, to manufacture and market substances for use in biological and medical research, has been launched in Glasgow.

Based at the biochemistry department at Glasgow University, Biomac has been jointly financed by the University of Glasgow Innovation Fund, the Scottish Development Agency and Macgarrig and Mickel Ltd, the Glasgow-based building contractors.

Satellite company presses for decision on scarce frequencies

BY RAYMOND SNODDY

BRITISH Satellite Broadcasting (BSB) has asked the Government to look again at whether scarce UHF frequencies should be used to create a new fifth television channel or should instead be reserved for an expansion of services such as mobile communications.

BSB, the direct broadcasting by satellite company planning to launch three new national channels of television in autumn 1988, points out in a report to the Government that the spectrum used by DSB services is unlikely to be used for anything but broadcasting.

The DSB frequencies, which carry the UK's existing four national television channels, are

however, also used for aeronautical radar and radio astronomy. British Telecom has already given a warning that further use of UHF frequencies for broadcasting is likely to be a significant restraint on the growth of new personal mobile communications.

"It may be that on wider policy and economic grounds the Government should concentrate the development of new broadcasting services at higher frequencies through DSB," the satellite company says in its response to the study of the British advertising market by consultants Booz, Allen & Hamilton.

Booz Allen argued last month that a new fifth channel funded by advertising was urgently

needed to alleviate the rising costs of television airtime.

The BSB report argues that new television channels would probably increase the demand for television advertising rather than reduce it. As the audience watching any one channel was diluted, advertisers would have to broadcast the same message on a number of channels to reach the same proportion of viewers.

The Government is believed to be enthusiastic about the concept of a fifth channel but no decision has yet been taken on whether it would be funded by advertising or subscription.

BSB has to raise £400m next year to add to the £225m already committed by investors.

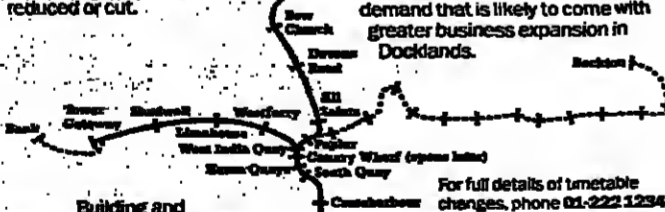
Smart moves in Docklands

Since last August, travelling to and from Docklands has been easier and quicker with Docklands Light Railway. Now the railway is very popular and we have already exceeded the target set for passenger levels.

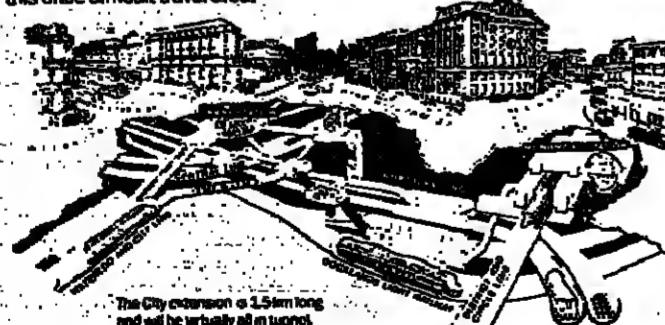


On 7th May the railway closes for the weekend, and then different parts of the line will have interrupted services on some further weekends. There will be no trains most nights after 9.30 pm.

To minimise inconvenience, we shall be using special buses whenever services are reduced or cut.



Building and planning are well advanced for extensions to Bank and through the Royal Docks to Bechtel, making the railway ideal for swift business trips in this once difficult travel area.



The City extension is 1.5km long and will be virtually all in tunnel.

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There's a brand new magazine that's worth its weight in gold. All about money - and how to make the most of it when you live and work abroad. Make more - save more - invest more - keep more!

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When you live or work abroad, there are lots of opportunities for you and your money. But there are lots of pitfalls too!

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Introducing Veritrac 9000. The instant access modular communication recording system from Dictaphone. A major break-through for companies who must maintain accurate records of all incoming/outgoing telephone or radio communications. Veritrac 9000. A permanent voice recorded filing system which automatically records 240 conversations simultaneously. Complete with centralised control panel, computerised monitor screens and unique modular flexibility. Veritrac 9000. A revolutionary, new, modular approach to multi-channel communications recording.

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EUROPE JAPAN

NO OTHER AIRLINE SPREADS ITS WINGS MORE OFTEN THAN JAL.

JAL has more flights a week from Europe to Japan than any other airline. In fact, with 27 flights from 12 European cities, (including 9 non-stop) you could say JAL has more going for it.

UK NEWS

Take-home pay for couple on average wage up 30%

BY RALPH ATKINS

THE take-home pay of a married couple on average earnings after allowing for inflation has risen by almost 30 per cent since 1979, latest Government figures show.

The Treasury estimates, given in a parliamentary written answer, highlight the sharp rises in earnings and series of tax cuts introduced since Mrs Thatcher became Prime Minister. They show that in 1988-89 the real earnings after income tax and national insurance of a married couple on an average income will be 28.4 per cent higher than in 1978-79. In the previous 22 years, net earnings for the same couple rose 23.9 per cent in real terms.

However, the figures highlight the divergence between the growth of earnings of low and high income households after taking account of tax cuts.

For instance, the real income after tax and national insurance of a married couple earning 1.10 times the national average will be 135.2 per cent higher in 1988-89 than in 1978-79. This follows a 9 per cent rise in the previous 22 years.

At the other end of the range, the real income of a married couple on two-thirds average earnings will have risen 26.1 per cent between 1978-79 and 1988-89.

Other figures show the sharp reduction in the tax burden on high income families corresponding to the rise in real net incomes.

For a married couple on 10 times average earnings and with a part-time working spouse and no children, income tax and national insurance accounted for 61.1 per cent of earnings in 1978-79. By the current financial year this will have fallen to 38.9 per cent.

For the same type of household but on half average earnings the tax burden this year will be higher than in 1978-79: income tax and national insurance as a proportion of their earnings rose from 13.5 per cent in 1978-79 to 14.8 in 1987-88. However the proportion will fall to 14.2 per cent in 1988-89.

Sales of luxury cars, furniture and holidays are likely to be among the biggest gainers from top-rate tax cuts announced in the budget, says a report published today.

Morgan Grenfell, the securities house, estimates higher-rate taxpayers will receive an extra

£2.8bn over a full year as a result of tax changes. This includes gains from cutting the top rate of tax to 40 per cent and reducing the basic rate to 25 per cent.

The total disposable incomes of high-rate payers are forecast to rise by £5.5bn, or 14.5 per cent, this year. Among those who previously paid tax at the 60 per cent rate, the increase is thought likely to be nearer 20 per cent.

The report says three broad categories stand out as benefiting most from extra spending power: transport and vehicles, durable goods and household services.

Within the groups, increases for individual goods and services are likely to see big rises, although there is a scarcity of information on household spending patterns. Sectors singled out as likely to benefit include luxury cars, holidays, private education and medical care, furniture and televisions and videos.

However, Morgan Grenfell says a large proportion of the extra income from tax cuts will be saved. Households paying top-rate tax are estimated to save an average of 17.1 per cent of their income, compared with an 2.6 per cent for all households.

Government to expand spending guidelines

By Philip Stephens, Economics Correspondent

THE TREASURY has decided to accept the recommendations of a House of Commons Committee and to discontinue publication in its present form of the annual public spending White Paper (policy document).

The information in the two-volume White Paper, traditionally published in January and containing detailed departmental spending allocations for the next three years, will be included instead in an expanded Autumn Statement each November and a Statement of departmental reports the following spring.

In a report published earlier this year, the Commons' Treasury and Civil Service Committee questioned the value of the present White Paper. The committee said that much of the detail could be published when the guidelines for spending were set in the Autumn Statement.

Mr John Major, the Chief Secretary to the Treasury, indicated he was sympathetic to the suggestion when he gave evidence to the Committee earlier this year. The Treasury's plans for the new system will be presented to both the Treasury and Civil Service and to the Public Accounts Committee later this month.

Government ministers see significant political advantage in abolishing the White Paper in its present form. Its publication just two months ahead of the Budget provides a focal point for a renewed debate about spending totals just as the Treasury is preparing its plans for tax changes.

The Treasury, however, has rejected more radical suggestions from MPs that it should integrate more closely its decision-making on public spending and tax rates. It remains determined to retain an entirely separate calendar for spending and tax decisions.

At present, the overall public spending target for each financial year is set during the previous Autumn, well before the Government has a clear view of its likely tax revenues in that year. The Treasury therefore has been able to use conservative forecasts of expected revenues to hold down spending demands.

The replacement of the public spending White Paper with an expanded Autumn Statement and separate departmental reports is to be phased in over the next two years.

UK electricity prices among world's highest, report says

BY MAURICE SAMUELSON

UK ELECTRICITY prices are now second only to those of West Germany and are likely to become among the highest in the world as a result of privatisation, says National Utility Services, the international tariff analysts based at Croydon, Surrey.

"With future price rises, the UK could well become the most expensive country of the 11 which we survey," says the service in its latest annual electricity tariff report.

The report also found that nuclear power, which will have a protected place in the privatised UK electricity industry, was becoming less popular in a growing number of countries.

Following the 5.4 per cent average price rises, the UK was now second only to West Germany in the electricity price league.

Last year's Government target to raise capital for investment in new power stations was the main reason for this year's UK price increases, the report continues.

Although some large UK consumers continued to receive the benefit of price concessions granted last year, the report predicts increasing pressure for further reductions in an effort to keep their manufacturing costs in line with those in Europe.

In the long term, prospects for the UK consumer after privatisation remain mixed, says the NUS study. "Where new generators become involved, it is possible that the initial benefit to the consumer will be a greater flexibility of pricing and in some instances possible reductions in cost."

However, in parts of the country where there was little or no competition between generating companies, consumers were likely to see little change.

In addition to the UK and West

Germany, the NUS survey covers electricity tariffs in France, Belgium, Ireland, the Netherlands, Italy, Sweden, the US, Canada and Australia. Countries where prices were sensitive to local political factors include:

- West Germany, where prices were kept high by the continued programme to reduce pollution from coal-burning power stations.
- France, whose prices had been artificially held down this year in an attempt to control inflation and against the wishes of the electricity industry which will face a serious profits loss.
- Italy, which, having abandoned nuclear power in favour of coal and oil, had become increasingly dependent on imported electricity from France, where ironically 70 per cent is nuclear generated.

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service fees determined, the standards of service to be provided, and more.

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For more information, or to set up an appointment with one of our international tax professionals, please contact your local DH&S office or: Deloitte Haskins & Sells, Director of International Tax Services, One World Trade Center, New York, NY 10048, (212) 669-5395

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Schlumberger

SCHLUMBERGER FIRST QUARTER EARNINGS

New York, New York, Thursday, April 21 — Schlumberger Limited reported net income of \$101 million, or \$0.37 per share, compared to \$5 million, \$0.02 per share, for the same period last year. Revenue was \$1.58 billion versus \$1.10 billion a year ago, an increase of 43%.

Ernst Baird, Chairman, cited several key factors that contributed to the improved results. "The strength of the world's economy, and the impact of the acquisition of Neptune, helped our Measurement & Systems groups where revenue increased 18% to \$348 million. In particular, Schlumberger Industries, the electronics and computing businesses, saw the 61% revenue increase in North America of Winter & Testing, which provides services to locate and evaluate oil and gas reservoirs.

BOSTON LIQUIDITY MANAGEMENT FUND, SICAV

Société d'investissement à capital variable, R.C. Luxembourg B 25297

NOTICE OF MEETING

Notice is hereby given that the First Annual General Meeting of BOSTON LIQUIDITY MANAGEMENT FUND, SICAV shall be held at the Registered Office of the Company in Luxembourg 41, Blvd Royal on

Friday, 13th May 1988 at 11 a.m.

For the purpose of considering the following agenda:

1. To receive and adopt the Management Report of the Directors and the Report of the Statutory Auditor and Independent Expert for the year ended 31st December 1987.
2. To receive and adopt the Annual Accounts for the year ended 31st December 1987.
3. To release the Directors and the Statutory Auditor and Independent Expert in respect with the performance of their duties during the fiscal year.
4. To decide the appropriation of the earnings.
5. To appoint the Directors and the Statutory Auditor and Independent Expert.
6. To transact any other business.

The resolutions shall be carried by a majority of those present or represented. The shareholders on record at the date of the meeting are entitled to vote or give proxies. Proxies should arrive at the Registered Office of the Company at least 48 hours before the meeting.

By order of the Board of Directors,
Peter W. GERRARD
Director

BOSTON INTERNATIONAL EQUITY INVESTMENT FUND, SICAV

Société d'investissement à capital variable, R.C. Luxembourg B 25255

NOTICE OF MEETING

Notice is hereby given that the First Annual General Meeting of BOSTON INTERNATIONAL EQUITY INVESTMENT FUND, SICAV shall be held at the Registered Office of the Company in Luxembourg 41, Blvd Royal on

Friday, 13th May 1988 at 2 p.m.

For the purpose of considering the following agenda:

1. To receive and adopt the Management Report of the Directors and the Report of the Statutory Auditor and Independent Expert for the year ended 31st December 1987.
2. To receive and adopt the Annual Accounts for the year ended 31st December 1987.
3. To release the Directors and the Statutory Auditor and Independent Expert in respect with the performance of their duties during the fiscal year.
4. To decide the appropriation of the earnings.
5. To appoint the Directors and the Statutory Auditor and Independent Expert.
6. To transact any other business.

The resolutions shall be carried by a majority of those present or represented. The shareholders on record at the date of the meeting are entitled to vote or give proxies. Proxies should arrive at the Registered Office of the Company at least 48 hours before the meeting.

By order of the Board of Directors,
Peter W. GERRARD
Director

BOSTON US GOVERNMENT INCOME FUND, SICAV

Société d'investissement à capital variable, R.C. Luxembourg B 26479

NOTICE OF MEETING

Notice is hereby given that the First Annual General Meeting of BOSTON US GOVERNMENT INCOME FUND, SICAV shall be held at the Registered Office of the Company in Luxembourg 41, Blvd Royal on

Friday, 13th May 1988 at 4 p.m.

For the purpose of considering the following agenda:

1. To receive and adopt the Management Report of the Directors and the Report of the Statutory Auditor and Independent Expert for the year ended 31st December 1987.
2. To receive and adopt the Annual Accounts for the year ended 31st December 1987.
3. To release the Directors and the Statutory Auditor and Independent Expert in respect with the performance of their duties during the fiscal year.
4. To decide the appropriation of the earnings.
5. To appoint the Directors and the Statutory Auditor and Independent Expert.
6. To transact any other business.

The resolutions shall be carried by a majority of those present or represented. The shareholders on record at the date of the meeting are entitled to vote or give proxies. Proxies should arrive at the Registered Office of the Company at least 48 hours before the meeting.

By order of the Board of Directors,
Peter W. GERRARD
Director

BOSTON EQUITY INVESTMENT FUND, SICAV

Société d'investissement à capital variable, R.C. Luxembourg B 25254

NOTICE OF MEETING

Notice is hereby given that the First Annual General Meeting of BOSTON EQUITY INVESTMENT FUND, SICAV shall be held at the Registered Office of the Company in Luxembourg 41, Blvd Royal on

Friday, 13th May 1988 at 3 p.m.

For the purpose of considering the following agenda:

1. To receive and adopt the Management Report of the Directors and the Report of the Statutory Auditor and Independent Expert for the year ended 31st December 1987.
2. To receive and adopt the Annual Accounts for the year ended 31st December 1987.
3. To release the Directors and the Statutory Auditor and Independent Expert in respect with the performance of their duties during the fiscal year.
4. To decide the appropriation of the earnings.
5. To appoint the Directors and the Statutory Auditor and Independent Expert.
6. To transact any other business.

The resolutions shall be carried by a majority of those present or represented. The shareholders on record at the date of the meeting are entitled to vote or give proxies. Proxies should arrive at the Registered Office of the Company at least 48 hours before the meeting.

By order of the Board of Directors,
Peter W. GERRARD
Director

BOSTON INCOME INVESTMENT FUND, SICAV

Société d'investissement à capital variable, R.C. Luxembourg B 25255

NOTICE OF MEETING

Notice is hereby given that the First Annual General Meeting of BOSTON INCOME INVESTMENT FUND, SICAV shall be held at the Registered Office of the Company in Luxembourg 41, Blvd Royal on

Friday, 13th May 1988 at 10 a.m.

For the purpose of considering the following agenda:

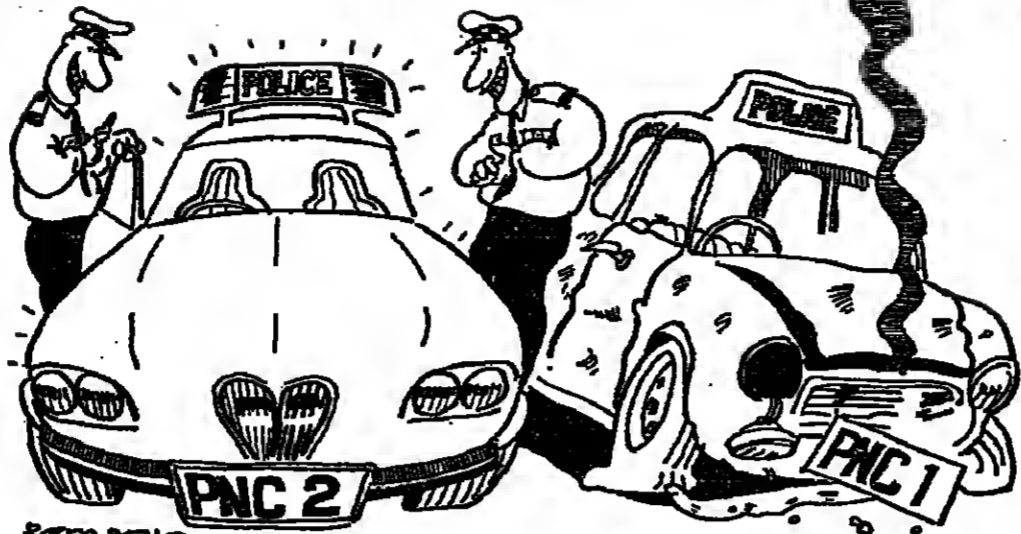
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2. To receive and adopt the Annual Accounts for the year ended 31st December 1987.
3. To release the Directors and the Statutory Auditor and Independent Expert in respect with the performance of their duties during the fiscal year.
4. To decide the appropriation of the earnings.
5. To appoint the Directors and the Statutory Auditor and Independent Expert.
6. To transact any other business.

The resolutions shall be carried by a majority of those present or represented. The shareholders on record at the date of the meeting are entitled to vote or give proxies. Proxies should arrive at the Registered Office of the Company at least 48 hours before the meeting.

By order of the Board of Directors,
Peter W. GERRARD
Director

West German language will lead UK fight against crime

Alan Cane explains why the right choice of software is seen as all-important for Britain's next Police National Computer



ROGER BEAVE

THE BATTLE to supply the computers to power Britain's planned new police data processing system, the Police National Computer 2 (PNC2), began formally yesterday.

The Home Office set out its operational requirements and announced it was seeking responses from companies willing to take prime contractor responsibility for the complete system - hardware, systems and application software, together with maintenance and support.

In a break with traditional practice, however, the Home Office made it clear that it has already decided that the new system will be written in computer languages developed by a leading West German company, Software AG of Darmstadt.

ences and SD-Scicon which have the skills and financial muscle to manage major projects.

The way in which the Home Office decided its strategy for the development of the PNC2 reflects the difficulties faced by organisations with ageing computer systems.

The Unisys computers at the heart of Britain's PNC system were already close to the end of their marketing life when they were first installed in Hendon, on London's outskirts.

IBM, Siemens and DEC are expected to feature in the battle to supply hardware

Three Burroughs (which joined with Sperry to form Unisys) B7700 processors were installed in 1977; a fourth B7700 was added in 1985, but it had already seen long service with the Midland Bank. As Deputy Assistant Commissioner John Newing of Scotland Yard says: "Commercial companies tend to replace computer hardware rather more quickly than government departments."

In 1986, for example, the existing system handled an average of 1.05m message "pairs" (an enquiry received, an answer dispatched) a week. The Home Office estimates that PNC2 will have to handle at least twice that capacity.

The PNC at present has facilities for monitoring stolen vehicles, vehicle owners, fingerprints, known criminals, wanted and missing persons, disqualified drivers and criminal convictions.

The intention is that a new system would have vastly greater capabilities, including:

- Files of photographs of criminals indexed both by name and by description.
- A unified national criminal records file to replace the present mix of central and locally held records.
- A computerised fingerprint storage, retrieval and identification system.
- Statistical and management information.
- Powerful communication links to the courts, hospitals and police cars.

and nobody quite knows how it works.

When a replacement system was first considered, Unisys recommended new large mainframes from its A Range, coupled to a phased re-write of the entire system.

However, Gordon Wasserman, assistant under secretary of state at the Home Office with special responsibility for police science and technology, was convinced of the value of having a relational database - a computer file in

New York and the Royal Canadian Mounted Police.

The Home Office's strategy reflects difficulties faced by organisations with old computers

which the information contained can be examined from a number of different viewpoints - at the heart of the new system.

There remains the problem of a co-ordinated shift from PNC to PNC2. The current system is on its last legs. PNC2 will take two years to develop and commission.

STEEL OBJECTS lying underground or underwater can be located using a system from Wells Krautkramer in the UK.

Meter readings and audible signals are provided and the system is also able to collect data.

BRITISH TELECOM Telephone Marketing Services is offering Service-Link, which picks up service request calls coming into any company and provides a 24-hour-a-day service.

BT service for those always on call

Customers of a company simply call an exclusive phone number and will be dealt with

WORTH WATCHING

Edited by Geoffrey Charlish

Laser throws light upon building work

SCIENTIFICA-COOK, a London company which manufactures laser-based measurement equipment, has developed a unit called LSS (Laser spirit level and straight edge).

It is aimed at the building, construction and engineering industries, where the need often arises to extend either a true horizontal or an inclined or vertical face, over a relatively long distance.

The LSS is constructed around a precision machined solid base of stainless steel which enables the projected beam to be aligned within 25 microns (millionths of a metre) per metre of projection.

A built-in spirit level allows a true horizontal to be projected over 20 metres or 50 metres, depending on the model used. Prices start at £495.

Underlying insight into steel's location

STEEL OBJECTS lying underground or underwater can be located using a system from Wells Krautkramer in the UK.

Meter readings and audible signals are provided and the system is also able to collect data.

An area can be methodically traversed by one man, and the data, when fed into a suitably programmed IBM personal computer, enables contour maps to be generated on-screen in both two and three-dimensional form.

BT service for those always on call

BRITISH TELECOM Telephone Marketing Services is offering Service-Link, which picks up service request calls coming into any company and provides a 24-hour-a-day service.

Customers of a company simply call an exclusive phone number and will be dealt with

JAL opts for US data network

EBN COMMUNICATIONS, the US-based international telecommunications company, is to build a worldwide data network for Japan Airlines (JAL).

One of the largest jobs of its kind, the installation will involve \$15m of network products and professional services.

In addition, EBN expects to negotiate a contract with JAL for further support services valued at about \$1m over five years.

The system will provide data communications services for JAL's data processing, management information systems and electronic messaging facilities.

These are all based on IBM systems using SNA (systems network architecture) and airline protocols. The European segment of the new system will be made at EBN's subsidiary plants in Scotland.

North America given picture of the future

TWO PROJECTS IN North American laboratories are hastening the day when moving pictures can be sent over national cable networks just as easily as today's telephone calls.

GTE Laboratories of Waltham, Massachusetts, claims to have set a new world speed record by developing a tiny laser diode able to switch on and off 22bn times a second.

This digital speed, 22 gigahits per second, is fast enough to allow up to 400 separate video channels to be sent over a single optical fibre. In the future says the General Telephone and Electronics laboratory, offices and homes will receive telephone, data and picture signals over the same strand of hair-thin cable.

Meanwhile, in Canada, a research team at Bell Northern Research (BNR) has successfully integrated a laser diode and its drive electronics on to a "chip" using processes developed from normal semiconductor industry techniques.

The chip achieves gigabit speeds and is made from the gallium arsenide family of semiconductor compounds.

The team's particular achievement has been to fabricate the tiny mirrors needed by the laser, without resorting to the usual process of cleaving the material to obtain flat surfaces.

In addition, the team has successfully united the differing fabrication techniques needed for transistors and lasers.

The device will lead to cheaper, faster and smaller optical transmitters, says the laboratory.

Japan goes flat out for display supremacy

JAPAN IS likely to dominate the emerging market for newer kinds of flat-panel displays, in particular the active matrix liquid crystal type in which each pixel (picture element) is controlled by a minute transistor.

Such displays have already enabled Japanese companies to make pocket colour TV sets.

Ironically, most of the basic research was carried out in the US and Europe. But, says BIS Mackintosh, the UK electronics consultant, Japan's dominance is almost inevitable because it has overwhelming strength in the consumer electronics field where most of these displays are used.

BIS Mackintosh does not believe the cathode ray tube will disappear overnight, however, and in large screen sizes may be the only cost effective answer for many years.

Even so, shipments of active matrix displays are forecast to rise from \$40m last year to \$750m in 1992 and \$1.95bn in 1996. BIS Mackintosh has published a report on the subject. It costs £13,000.

CONTACTS: Scientifica-Cook: UK: 025 2362, Wells Krautkramer: UK: 0462 57612, British Telecom Marketing Services: London: 0600 22624, EBN Communications: London: 246 8222, GTE Laboratories: US: (617) 493 2286, Northern Telecom: Canada: (613) 783 4286, BIS Mackintosh: UK: 0522 426676 or in the US on (408) 867 9890.

The new Shun Tak Centre and Moco Ferry Terminal complex, including the 870-room Hotel Victoria, is a striking example of innovative building technology.

- ▶ Its two 41-storey towers are among the tallest high-rise steel structures in Hong Kong.
- ▶ And the Moco Ferry Terminal, designed to handle up to 15 million passengers a year, is the world's busiest marine transport facility.
- ▶ The careful blending of function and aesthetics by the architect Spence Robinson is complemented with high technology lighting from Philips.
- ▶ Cost-effective lighting that combines excellent colour rendition with high light output, yet uses 30% less energy.
- ▶ And the integration of general and accent lighting enhances the futuristic functional design of this superior



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landmark. ▶▶▶ In conference centres, too, you will find Philips technology helping to create the right environment. ▶ The new Austria Centre in Vienna, with 14 conference halls and a total capacity of 9,000, is a fine example. ▶ Up to 4,000 delegates in the main hall can enjoy perfect conference conditions, thanks to a computerized directional sound system from Philips. ▶ In two other halls our multichannel reverberation systems tailor the acoustics for music, opera, theatre or speech. ▶ And to ensure the best in sound and vision, we supplied the Centre's colour TV studio, master antenna TV distribution system and staff intercom. ▶ Lighting, sound and vision technologies - perfected by Philips and applied in projects the world over. ▶

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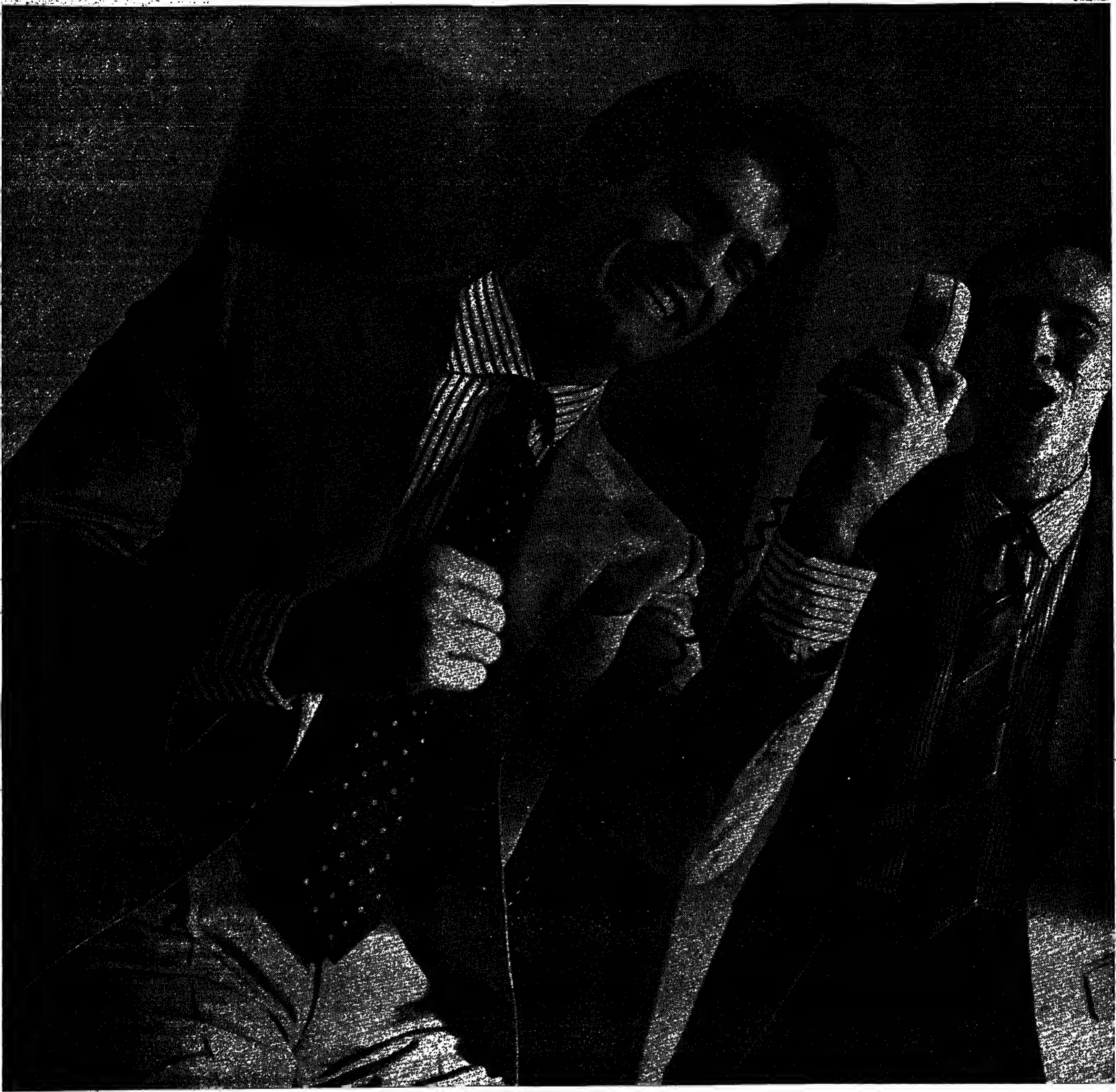
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**BUT HE
 DOES BUSINESS
 THERE
 EVERY DAY.**

"Jack? It's Nigel. I hear you've got the go-ahead to launch the issue."

"Yes - if the terms are right."

"And are they?"

"Could be. If you can take the full 300 million right now."

"Our syndicate's ready and waiting."

"In that case let's go."

"We've got the deal?"

"You've got it."

"Fantastic. Shall we sign in Paris?"

The rest of this conversation is strictly business.

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Business consultants play a critical role in the success and growth of this market and technology leader of relational database products.

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BUSINESS SYSTEMS MANAGER

c £40K + CAR
As a Business Systems Manager you will be responsible for a Business Unit, managing a team of professional consultants working on major client projects in the financial sector. You should have a degree, preferably backed by a professional qualification such as accountancy.

Your own extensive project and client management experience will mean you are currently involved in a business function where you will have undertaken strategic studies. You will need to demonstrate your credibility externally with clients and internally in managing, developing and adding value to your team. This represents a real opportunity for ambitious professionals where responsibility and challenge really means recognition and reward.

SENIOR CONSULTANT

c £30K + CAR
Educated to degree level, you should have spent at least 5 years in the IT industry, using structured methodologies in a systems development environment with knowledge of databases. Additional knowledge of the finance industry e.g. settlements, bills, securities, would be advantageous, however, this is not as important as the ability to learn fast and display exceptional interpersonal skills.

From your experience of leading major projects you will now be ready to broaden your horizons to an environment where you can make a significant contribution in a company that has a commitment to employee development with accelerated career paths for achievers.

For an immediate and confidential discussion, please call Ian Cooper on 01-637 9611 or alternatively send your C.V. to him at Management and Executive Selection, Second Floor, Albany House, 324 Regent Street, LONDON W1R 5AA.

EXECUTIVE



CONTEMPORARY SCOTTISH ART BUSINESS MANAGER

The 360 Gallery is one of the most exciting arts organisations in Scotland. Situated in the heart of the Old Town of Edinburgh, and having recently completed an ambitious conversion of a three-storey building into a multi-purpose visual arts centre, it now requires a Business Manager to exploit the potential of these facilities. The post is for an initial six month period, and is being funded by the Arts Council of Great Britain under the terms of its new incentive funding scheme.

The successful candidate should be experienced in the preparation of business plans and the management of growth with a flair for marketing and development. Financial management skills and direct experience of the visual arts are desirable but not essential attributes. The successful candidate could be a paid appointment from the private sector.

Salary/fee negotiable. Applications and enquiries should be made to Derek Milne, Chairman, 360 Gallery, 290 Cowgate, Edinburgh EH1 1NQ. Tel: 031-225 3013.

The closing date for applications is 20 May 1988.

Shelter

ASSISTANT DIRECTOR Administration & personnel

Shelter is facing a growing housing crisis in Britain. Can you meet the challenge of providing the necessary administrative, personnel and financial management of an organisation of 130 highly motivated staff? Can you demonstrate an ability to introduce effective systems in these fields? Have you experience in job evaluation and equal opportunities?

If the answer is YES, please telephone or write for an application form to: Ms Margaret Donnelly, Shelter, 88 Old Street, London EC1V 9HL or 01 253 0202 ext 206. Closing date: 24 May.

Shelter is striving towards becoming an Equal Opportunities employer. We welcome applications from all sectors of the community, regardless of race, sex, disability or sexual orientation. Staff must have a positive commitment to the implementation of Shelter's equal opportunities policy.

Stockbroking Professionals

Private Clients

Our clients are part of a leading international Financial Services Group offering traditional stockbroking services.

As part of the national expansion of their financial services group, they seek an experienced stockbroker to play an important part in developing their investment business for high net worth individuals. This position offers the right candidate a challenging role within a dynamic organisation.

S.W. England

Candidates will be Members of the Stock Exchange and will have had a good track record in stockbroking. Age will not be a limiting factor, however candidates are unlikely to be below 30 years old.

Salary will not be an obstacle for the right individual wishing to join a developing organisation.

If you match these criteria apply in writing to Charles Ritchie at Michael Page Partnership, 29 St. Augustine's Parade, Bristol BS1 4UL.



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Stock Lending Manager

To add to our existing global custody operation in London we require an experienced individual to establish and manage a global stock lending department. You should have at least five years' experience in a global lending environment and be fully conversant with settlement procedures in the U.K. and foreign securities markets. Sensitivity to market risk exposure and controls is essential.

An excellent salary plus an executive car will be offered to the right person.

Deposit Sales

We require an individual to promote the liability products of BSDT such as Time Deposits and CD's, in both Eurodollars and Sterling, to institutional investors such as banks and unit trusts.

Selling experience in the institutional world is necessary and knowledge of liability products is preferred. Also desirable is a good knowledge of the workings of the City.

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Please write enclosing latest CV to Valerie Borley, Boston Safe Deposit and Trust Company, Three Quays, Tower Hill, London EC3R 6DS (quoting Ref: 062).

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Leasing Division

ASSET FINANCE

The buoyancy of the leasing and asset finance market is emphasised by the increasing demand for innovative individuals whose expertise and abilities are not restrained by traditional boundaries. The following current vacancies highlight the specialist disciplines required:-

INTERNATIONAL APPOINTMENTS

MARKETING MANAGER - PARIS £Neg
Bilingual skilled big ticket leasing negotiator, with proven structuring ability.

SENIOR LEASING PROFESSIONAL - SPAIN £Neg
A thorough knowledge of the Spanish market with ability to source and close middlebig ticket domestic leasing transactions. Fluent Spanish.

VENDOR PROGRAMMES - WEST GERMANY c£50,000
An exceptional opportunity to join a leading international hi-tech manufacturer to develop creative cross border vendor programmes.

UK BASED APPOINTMENTS

SENIOR ASSET FINANCE £100,000 +
A first class marketing professional with exceptional asset finance, capital markets and syndications knowledge, within the domestic and international big ticket sector.

MANAGING DIRECTOR - SALES AID c£60,000 + profit share
Senior professional capable of identifying and developing opportunities based on 45 years' experience of negotiating manufacturer support programmes.

F.D. DESIGNATE £Neg
ACA with first class accounting, treasury, funding and evaluation skills gained within a leasing environment. Start-up operation.

V.P. AIRCRAFT FINANCE £45,000 + benefits
Individual sought with proven track record in negotiating and structuring complex cross border transactions within this specialist sector.

SENIOR CREDIT MANAGER to £35,000
US credit trained capable of operating at senior level providing in-depth risk analysis and marketing support.

ACCOUNTANTS (x 5) £20,000 to £28,000
ACA's with leasing experience gained either directly or via audit function.

MARKETING POTENTIAL £18,000 to £25,000
Several opportunities for graduates with credit, evaluations and documentation experience, within the middlebig ticket markets. Excellent career prospects.

Please contact in strict confidence

Jill Backhouse
Associate Director

Peter Haynes
Senior Consultant

Sarah Stone
Consultant

LONDON

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Jonathan Wren

Recruitment Consultants
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be part of our SUCCESS STORY

You may be surprised to learn that Girobank is now one of the fastest-growing forces in the UK Corporate Banking Sector. Our rapid rate of expansion in this dynamic and challenging area means we now need to increase and strengthen our management team. If you are interested in a fresh challenge with a forward-looking young organisation and feel that you have the necessary qualities, we would like to hear from you. We are seeking to fill the following positions at present but will shortly be expanding in other areas of the country.

Regional Credit Manager and Lending Control Manager —London up to £25k

The bank has exceptional opportunities for young professionals to make a highly visible contribution to the continued growth of our London Corporate Lending team and our Advances Control function. For these senior positions you will have a proven record of achievement in banking which must include several years' corporate lending experience, supported by a sound knowledge

of all aspects of credit analysis, treasury services, lending operations, securities and legal requirements. A thoroughly determined approach should be coupled with demonstrable interpersonal and negotiating skills of the highest order. A professional qualification in banking is essential and previous experience in a regional office control function would be advantageous.

Credit Analysts —Ashford, Southampton up to £15k, London up to £17k

Reporting to the Regional Credit Manager, you will liaise with potential and existing customers in the corporate market, assess applications for small business lending schemes and prepare full credit reports on major companies.

In addition, you will be responsible for maintenance of credit information systems and completion of regular reports detailing all activities carried out by the credit function.

Advances Control—London up to £17k

Working with the Advances Control Manager to ensure the quality of service expected by corporate customers, your responsibility will centre on controlling the quality of corporate credit underwritten by the bank. Additional responsibilities will include monitoring standards of credit approval as well

as providing guidance on bank lending policy and product specifications to regional and sub-offices. You should also be able to assess the credit risk inherent in individual cases and comment on the suitability of credit products to the customers' requirements.

For both the Advances Control and Credit Analyst positions, you will have several years' lending experience preferably within the Corporate Lending Field, gained within a Commercial Bank or Finance House, and have or be studying for a professional banking qualification. A high degree of self-motivation, an ability to work to strict timescales and sound interpersonal skills are also essential. Starting salaries are negotiable, dependent on

experience and subsequent salary progression is linked to performance. Generous relocation assistance is available where required. Career prospects within this expanding organisation are exceptional. Please write or telephone for an application form to: Management Appointments Manager, Girobank plc, Bricke Road, Bootle, Merseyside, G1R 0AA. Tel: 051-966 2487.



Investment manager/advisor

London



For a UK company, the wholly owned asset management subsidiary of a small but long established bank whose business includes the management of private client portfolios. To enhance its ability to provide investment advice to the Bank, this company now seeks a manager with in-depth expertise in EEC and UK equity and fixed debt security markets, and foreign exchange.

Reporting to the Managing Director of the parent Bank, you will have full responsibility in London for establishing and executing the investment strategy for portfolios currently invested in UK & European instruments, with an emphasis on fixed income. The objective is to achieve long term growth and stability rather than to seek short term gains. You will also provide a source of competence and advice to the parent bank on interest rates, foreign exchange, and related investment matters. This appointment offers an unusual degree of autonomy to apply expertise in European bond and equity markets, as well as the potential to develop other investment opportunities.

You should have substantial experience, preferably gained in a bank, of managing portfolios invested in the UK and Europe. A self-starter, you must be accustomed to operating effectively in a self-sufficient role without close functional management and in an environment where sound strategy is valued more than short term performance. Candidates currently earning less than £40,000 are unlikely to be able to demonstrate the experience and personal credibility to fulfil this role.

Resumes will in due course be discussed with our client. You should therefore identify in a covering letter any institutions to which you do not wish your details to be shown.

Please write, including a day time telephone number to Robin Alcock, quoting Ref RA923.

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Key appointment for a Chartered Accountant with exposure to compliance who is keen to develop a combined role. Excellent career development prospects.

COMPLIANCE/FINANCIAL CONTROL SYSTEMS



CITY

£35,000-£50,000 + CAR

MAJOR FINANCIAL SERVICES ORGANISATION MARKETING CAPITAL MARKET INSTRUMENTS TO LEADING INSTITUTIONS

We invite applications from Chartered Accountants, who must have had 3 years' post qualification experience either in merchant banking or other City financial institution. This experience must include either direct responsibility for the compliance function or exposure to compliance work as part of a project team. The selected candidate, who will report directly to the Managing Director and work closely with his deputy, will be responsible for all compliance including: registration aspects, the instruction and training of all staff on compliance as well as liaising closely with TSA and IMRO and all administrative aspects of compliance. The other key responsibility will be the regular review, development and further implementation of all financial control systems used throughout the company. This will be carried out in conjunction with the Operations Manager (also a Chartered Accountant). Essential qualities are diplomacy in achieving objectives and the ability to gain the confidence of senior management plus other staff at all levels. Initial salary negotiable £35,000 - £50,000, plus car, mortgage subsidy and other banking benefits. Applications in strict confidence under reference: CFCS20939/FT, will be forwarded unopened to our client unless you list companies to which they should not be sent in a covering letter marked for the attention of the Security Manager: CJRA

Challenging career appointment for senior banker capable of writing substantial business in competitive markets.



SENIOR CORRESPONDENT BANKER

LONDON

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LEADING FINANCIAL INSTITUTION

We invite applications for senior correspondent bankers with at least 6 years' relevant experience, who must be able to demonstrate a significant track record in selling \$ clearing, DM clearing, PC based software products, Documentary Services and traditional bank to bank activities. An in-depth knowledge of US \$ clearing systems, CHIPS, Fed Reserve Systems and CHAPS is essential. The selected candidate, who will report to the Head of the Financial Institutions Group in London, will be responsible, as a senior member of this small team, for marketing foreign banks in London and leading European financial centres. Extensive travel will be necessary. Key qualities are communication skills and the ability to generate targeted new business and to maintain and further develop client relationships. Initial salary negotiable up to £40,000 plus profit related bonus which will be tailored to attract the best talent available, plus car and full range of generous fringe benefits. Applications in strict confidence under reference SCB4598/FT, to the Managing Director: CJA.

A challenging and secure position with scope for career progression.



SENIOR MANAGER - OPERATIONS

LONDON E.C.3.

£35,000-£40,000

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This appointment will be attractive to experienced Managers, currently responsible for operations in a smaller bank or No.2 in a larger organisation, who wish to run their own department and progress their career within a rapidly expanding merchant bank. The Senior Manager Operations will control a team of c.15 and will have full accountability for organisation, procedures, etc. and providing direct support to the trading operation. Experience of MIDAS or IBIS and procedures for settlement of capital markets, FX, options, money market, and bullion products is essential. Managerial presence and a strong yet diplomatic personality are the qualities we seek. Initial remuneration is negotiable c.£35,000 + Car. For this assignment we are particularly keen to hear from candidates in strict confidence by telephone on 01-628 0969, or alternatively applications in writing under reference SMO 20946/FT will be forwarded unopened to our client unless you list companies to which they should not be sent in a covering letter marked for the attention of the Security Manager: CJRA

A career appointment offering significant scope for future development.



HEAD OF PERSONNEL

CITY

£28,000-£32,000 + BENEFITS

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This appointment calls for candidates of graduate calibre, I.P.M. qualified and aged 30-40. The candidate will have had a progressive and wide-ranging personnel career with at least 5 years financial sector experience. This will include not less than 2 years in a management role and will ideally have been gained within a medium sized investment/merchant banking organisation. A full understanding of present day practices, including computer applications and relevant legislation is necessary. Reporting to the Director of Administration and heading a small team, the successful candidate will be responsible for all aspects of the personnel function. A prime task will be the development of systems, tailored to meet both the needs of the individual and the demands of this growing organisation. The ability to win respect and confidence at all levels is essential together with communication skills, imagination and a capacity for problem solving. Initial salary negotiable £28,000-£32,000, discretionary bonus, car, non-contributory pension, life assurance, mortgage subsidy and free family medical cover. Applications in strict confidence under reference HOP4596/FT to the Managing Director: CJA

Excellent prospects exist in this expanding organisation.



INVESTMENT ANALYST/ASSISTANT FUND MANAGER

LONDON W.C.2.

c.£30,000 + BONUS

PRIVATE INVESTMENT COMPANY

Our client is a small private investment company managing listed investment companies. Owing to expansion they now seek an Assistant to work closely with the Fund Managers. The emphasis will be on researching and generating investment ideas, particularly in the U.K. and U.S. markets and developing expertise in Continental Europe, the Far East and Australia. Applicants should be educated to degree level, with a demonstrable track record as an investment analyst (minimum 4 years' experience) and a sense of market timing. There will be considerable autonomy and responsibility, contact with institutional shareholders and day to day contact with the executive directors. Our client has an open mind on age, but presence and a polished manner are essential. Initial remuneration is negotiable according to age and experience c.£30,000 + bonus and good company benefits. Applications in strict confidence under reference AFM4597/FT to the Managing Director: CJA

3 LONDON WALL BUILDINGS, LONDON WALL, LONDON EC2M 5PQ. TELEPHONE 01-588 3588 or 01-588 3576. TELEX: 887374. FAX: 01-256 8501.

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EQUITY ANALYST

Whittingdale is an independent investment management company, based in the City with £1.3 billion under management. Our business is managing fixed interest securities for Lloyd's syndicates and other insurance companies, as well as three unit trusts. We are seeking to employ a graduate with several years' experience to join the investment team. His/her responsibility would be to contribute to the management of the Whittingdale Challenger Unit Trust. This Fund follows a highly original investment approach and offers considerable scope for individuals to realise their full potential.

Whittingdale are looking for:-

- * a young person, with accounting and/or financial analysis qualifications at degree or professional levels
- * having the ability to present detailed analyses at company and industry levels
- * with 2-3 years' experience in equity research (stockbroking or fund management)
- * keen to contribute at an early stage to investment decisions for the funds under management

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demonstrate your desire and potential to progress from a direct sales to a more strategic role. You are likely to be in your mid thirties and will possess well-developed leadership and communications skills.

In addition to offering a great deal of challenge, job satisfaction and security, the position carries an attractive compensation and benefits package. There is a friendly, team-minded working atmosphere in the Company and the department enjoys the benefit of the most advanced technology. If you would like to be considered, please telephone Michael Thompson on 01-222-7733 for an initial discussion or write to him in complete confidence at: John Sears & Associates, 2 Queen Anne's Gate Buildings, Dartmouth Street, London SW1H 9EP.

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Send CV to:

Box A0879, Financial Times,
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We are currently handling several attractive opportunities with prestigious Merchant Banks and Institutions for Senior Appointments in Fund Management, covering both the U.K. and overseas Equity Markets.

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All applications will be treated in the strictest confidence and should be addressed to Peter Latham at 11, Eastcheap, London EC3M 1BN. Telephone 01-929 4688.

CORPORATE FINANCE

Several of our clients, both Merchant and Investment Banks, are expanding their Corporate Finance Divisions.

Successful candidates will be involved in a wide range of U.K. projects including Mergers and Acquisitions, Floatations and Venture Capital. They will work closely with important clients and other City Institutions.

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Handwritten signature or note at the bottom of the page.

International Banking

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Gordon Brown

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International Appointments

COPEX

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The post carries a competitive remuneration package, and good career prospects are open to the individual who evidences the necessary characteristics and performance.

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If you require further information regarding this position, please telephone the Personnel Recruitment Officer on 01-606 2642

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MANAGEMENT

EVERY SO often, the smooth running of West German corporate life is disturbed by a headline-grabbing scandal, collapse or controversy which starts up discussion about the workings of the country's cherished (and often envied) two-tier system.

It happened in the early 1980s when AEG, the electronics and electrical company, nearly went bankrupt and when IBH Holding, the construction equipment company, disappeared in a cloud of fraudulent activity. Each time, fingers were pointed at the supervisory boards, which are supposed to ensure that things do not go wrong so spectacularly.

Last year, the workings of the system again came under scrutiny, when Daimler-Benz found itself at the centre of an absorbing (and embarrassingly open) debate about who should be managing it. (See above.) Ironically, this arose mainly through the motor group's diversification, including the purchase of AEG.

The losses suffered by the Puma sports shoe company and the severe problems of the Kloeckner-Humboldt-Deutz engineering group, have focused yet more attention on Germany's board structure.

Normally, the subject creates little excitement. But the division of responsibility between the supervisory board (Aufsichtsrat) and the executive management board (Vorstand) can arouse passion, especially when the speaker is Reinhard Mohn, 66, the forcefully articulate majority shareholder in the fast-growing Bertelsmann music and publishing group.

In favour of an overhaul

"Whenever there has been an industrial crisis, it is always the supervisory boards that have not worked properly," he says. "They either had the wrong people, or they functioned badly and things were not really known properly, or they didn't really know the management well enough."

Inevitably, when Germany's board system is put under the microscope, the question is asked whether it should be reformed, reinvented, or merely left alone? In the end, the consensus has come down on the side of doing nothing. But as the debate has reawakened, also as a result of today's tougher business climate, opinion has tended to shift in favour of an overhaul.

Mohn himself, now head of Bertelsmann's 12-man supervisory board after managing its aggressive post-war expansion, has contributed much to the study of Germany's double-board system, which dates from 1870. An ardent believer in a more dynamic role for supervisory boards, he has devoted plenty of thought to how this could be achieved. On visits to the US, he has seen how non-executives are used in the one-board system.

BOTH SIDES OF industry stress that West Germany's dual board system is only as good as its people. The supervisory board is supposed to choose and help top executive management and to ensure that both shareholders and labour representatives have a say in major decisions.

Since 1976, under the Mitbestimmung (co-determination) law, large companies must have an equal number of shareholder and labour members on their supervisory boards.

For the unions, the system does not go far enough, since the chairman has a casting vote and one labour member has to have come from the staff and is thus more management-oriented.

Many executives admit that, in general, co-determination has

worked reasonably well, despite their often half-hearted acceptance of it. Where harsh decisions have to be taken, the agreement of labour through the supervisory board can be crucial to their implementation.

Hans Jakob Kruse, management board chairman of the Hapag-Lloyd shipping and travel group, says the co-operation of labour was vital to its recovery programme a few years ago, which included heavy job losses. "Sometimes co-determination has its positive sides; it can make a number of things easier."

Except from the co-determination law are press and publishing companies. Bertelsmann's upper board, however, headed by owner Reinhard Mohn, has a one-third labour representation.

But he is not in favour of enforced Mitbestimmung - "the attractive formula of the equality of capital and labour is pure nonsense" - noting that EG guidelines aimed at a Fifth Directive on company structure also favour the one-third solution.

The unions, however, would see this as regressive. "The supervisory board is necessary for us, it helps the employees," says Herbert Lucy, head of the Daimler-Benz works council and a member of its supervisory board. "But we would like to see the system built up, to force more economic co-determination."

Unlike many union colleagues in other countries, German labour representatives believe in working through the system rather than trying

to force change from outside. Elected works councils (Betriebsrat) - which are required by law - also have a strong influence on local working conditions.

"There are lots of areas of tension, lots of disputes, but compromises have to be sought," believes Lucy, a member of the powerful IG Metall union. "Conflict is there, but it is defused." The same is true of the supervisory board itself. Lucy was involved in all the discussions leading to approval of Daimler's moves into engines, aerospace and electronics.

Last year, this diversification led to a crisis over the group's leadership. It culminated in the replacement of Werner Breitschwerdt, a consummate technician, by the more

strategically-minded Eduard Reuter. He was the unions' choice in 1988, but they were over-ruled by Wilfried Guth, then head of the supervisory board.

Guth was also management chairman of Deutsche bank, which owns 28 per cent of Daimler. "Our arguments were not taken into consideration," recalls Lucy. Alfred Herrhausen, Guth's successor, did, however, take the decision that Reuter was the better man to lead the expanded Daimler group.

"I hope it will prove a good one," says Guth. Heading a body like Daimler's supervisory board is, he adds, "a tremendous weight of responsibility. At times, you feel, and I did feel, this responsibility as a burden."

He also makes a point of seeing that younger managers meet members of the personnel committee the day before the supervisory board meeting. For him, especially as the owner of Bertelsmann, the question of management strength throughout the group is crucially important. "But more important is the systematic building up of the management succession," he says.

"Last summer, I sat in complete peace on an island in the Indian Ocean. How could I do this so comfortably? Because I know that there are good people here, and that is something which stems from the last three decades. That's why we have enough management capacity today and can choose the leadership from our own ranks." This, says Mohn, is by no means the case at all leading German concerns.

Mohn's confidence stems from the fact that he not only built up Bertelsmann but also keeps a closer eye on its affairs from his vantage point in the Bertelsmann building in Gutersloh than can the supervisory board heads of other concerns.

West Germany's two-tier system: in need of bite

Reinhard Mohn, of the Bertelsmann music and publishing group, believes strongly that, if necessary changes in industry are to be achieved, a more active role must be taken by supervisory boards. Andrew Fisher reports

tem, admiring particularly the practice at General Electric (GE).

In his view, the main impetus to change in Germany is the increasing difficulty of the job of management as competition heats up and companies expand internationally.

"The historical view that the supervisory board should only have a controlling role is no longer realistic," he asserts. Thus, as he wrote in the foreword to a special study on the subject: "We must put the supervisory board to work much more intensively."

One conclusion of this study, prepared by Professor Knut Bleicher of St Gallen University in Switzerland and funded by the Bertelsmann Trust, caused particular surprise. Of the 779 people (with 2,220 supervisory board seats) questioned, 25 per cent said they disagreed with the split board system, mostly arguing that the Aufsichtsrat was not really in a position to exercise any control. Among those in the 40-49 age group, the rejection figure was 33 per cent.

"The younger ones are saying 'we can't carry on like this'," says Mohn. "Here is the starting point for change." While not agreeing that the two-tier system should be scrapped, he feels it should be made to work more intensively than the mere legal requirement for a supervisory role and the passing of the annual accounts.

Others agree that constant efforts have to be made for the system to be really effective. "Our board system is basically good and efficient, but it

depends very much on how it is enacted," says Wilfried Gnth, head of the supervisory board of Deutsche Bank and a past head of Daimler's upper board. "If the supervisory board does not take its responsibilities seriously, then it could be too 'soft' a system."

The main task of supervisory boards, which meet three or four times a year, is to choose the top management, though many companies extend their role to approval of major decisions like investments or plant closures.

Increasingly, says Roland Berger, head of the Munich-based consulting firm which bears his name, there is a need for the upper board to advise and not just monitor.

But it should not erode the Vorstand's decision-making functions, he adds. "Traditionally, supervisory boards are heavily weighted with bankers, accountants and lawyers. I think, and the trend is this way, that they should include more technical and marketing people, industrialists and businessmen, so that the whole spectrum is competently represented and can give management the advice it needs."

When firms land in trouble, "you can always see that the supervisory board has failed, or shared in failure, because it did not take its advisory role seriously enough," Berger, whose firm was recently bought by Deutsche Bank, believes that the Aufsichtsrat should become involved in planning and strategy. Like Mohn, he favours more delegation through

committees dealing with personnel, investments, and finance.

In big, well-managed companies, this is usually the case anyway. Also, it is harder for them to bypass their supervisory boards, which are sprinkled with leading names from the banking, industrial, and labour world. But at smaller companies, the system does not always work so well, especially if the transition is being made from a family-run business.

"Sometimes, the situation can become fatal for medium-sized firms," says Manfred Emcke, a management consultant. "For them, the German system is really inadequate."

Emcke, who is based in Hamburg, sits on the supervisory board of Continental (tyres), Deckel (machine tools), Hapag-Lloyd (shipping), and Puma, among others. All have been in difficulty at some time or other. Hapag-Lloyd nearly sank five years ago as the shipping crisis worsened.

The presence of big bank representatives on its upper board certainly helped in its rescue. "If no bankers had sat there, it would have gone bankrupt," says Emcke. "No-one would have felt committed enough" to mobilise the huge cash injection needed.

Puma, however, has provided the most recent sensation. Emcke has had a central role in its rehabilitation after heavy US losses. He has combined consultancy and supervisory board roles, as the family-owned company, which came to the stock market less than two years ago, has sought to right itself. Emcke found



Reinhard Mohn: "Whenever there has been an industrial crisis, it is always the supervisory boards that have not worked properly"

the new management board chairman, Hans Woltschetzke, who is fast getting to grips with its considerable problems.

Emcke believes in working closely with the management of companies on whose supervisory boards he sits. He cites Continental as an example of how the system can be made to work well, with a strong rapport between the two boards and a good understanding between labour and shareholder representatives.

Without a strong supervisory board prepared to function as more than a rubber stamp operation, companies may lack the necessary discipline to ensure that their decisions are well thought out, well financed, and hold up against expert argument.

On the other hand, it is not always easy to find the right people for the non-executive board. And even the most competent outsiders can find it hard to grasp all the intricacies of a company's affairs.

Hence the desire of Mohn, Berger, and others to see more board work carried out in committee, along US lines. This divides up the work and helps ease the burden on each supervisory board member, as well as giving the board a chance to provide the Vorstand with clear, practical advice on specific subjects.

Mohn puts his committees to work intensively, emphasising particularly the importance of those dealing with auditing - "these are not very common in Germany" - and personnel.

Performance acceptable

However, he asserts, "I don't take any single decision, but I know what's going on." Showing a folder full of charts, tables and graphs, he adds: "In 1 1/2 hours, I know what all of the Bertelsmann profit centres in the whole world have done in the past month and if their performance is acceptable."

How active was his role in Bertelsmann's two large US purchases in 1986, RCA (music) and Doubleday (publishing)? The idea was management's, led by executive chairman, Mark Woessner. But there were lengthy discussions, especially as the two deals came close together.

"Should we do both or not? It did not have to be handled in one meeting, but there was a whole opinion-forming process. If the fur flies in supervisory boards and there are major differences, then things haven't been worked out properly. Something's been left out."

Thus in the end, even a hands-on supervisory board chairman like Mohn recognises that management has to manage. It was he who first took Bertelsmann into the US, though there were some costly mistakes in the 1970s. "Anyone who tries to avoid these has not understood that businessmen have to make mistakes. This also belongs to the education of our young people. The readiness to take risks belongs to business education."

For the supervisory board, acting as both guide and protector, the task is to make sure that the risks are calculated and not foolhardy, to try and prevent disasters rather than having to sort them out afterwards. It has never been easy and it is becoming harder by the day.

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FINANCIAL TIMES
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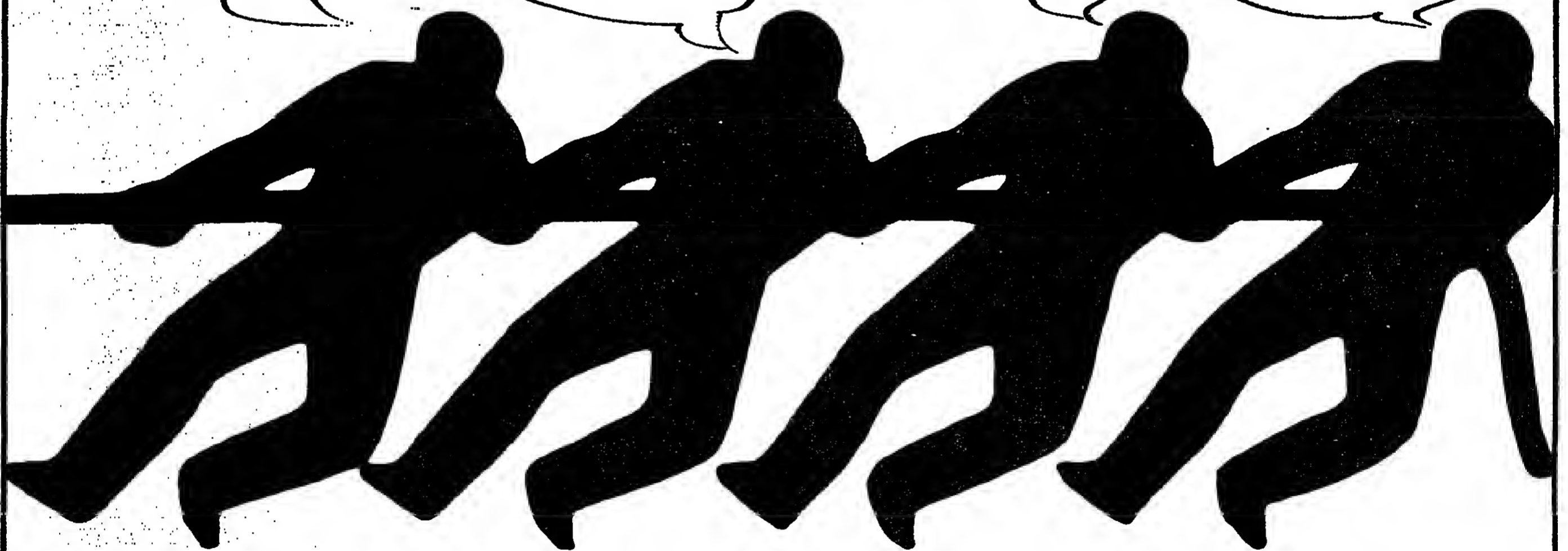
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SECTION II - COMPANIES AND MARKETS FINANCIAL TIMES

Wednesday May 4 1988

Vent-Axia VENTILATION Fresh solutions to stale problems

Coniston disputes Gillette proxy vote victory claim

BY JAMES BUCHAN IN NEW YORK

GILLETTE, the US razor and consumer products company struggling to retain its independence, appears to have defeated a shareholders' campaign to unseat management and force the sale of the company.

he has promised to reorganise Gillette's mature razor business and smarten up a lacklustre toiletries operation.

USG tries to ward off new Texan \$1.64bn bid

By Deborah Hergraves in New York

USG, the Chicago-based building products group, has announced a major recapitalisation and restructuring plan to an effort to head off a new \$45-a-share proposal from Desert Partners, the group led by two Texas oilmen that has been trying to gain control of the company for more than six months.

Hawker buys equity stake in £200m Pakistan project

BY PETER MONTAGNON, WORLD TRADE EDITOR, IN LONDON

HAWKER SIDDELEY, the UK engineering concern, is to put up £10m (£18m) of its own money for an equity stake in a 600MW power station it plans to build on the Hab River, 60 miles north of Karachi in Pakistan.

Hewker Siddeley will be licensed to operate and manage the project for between 25 and 28 years while the financing is repaid. It expects that the World Bank will contribute about \$50m in loans from its recently-formed private sector window.

The stations will sell the electricity to the state-owned Water and Power Development Agency on a "take-or-pay" basis, so the Pakistani Government will in effect assume the financial obligations of the project if the agency fails to buy power under its contract.

Granada in bid for UK computer contractor

By Nikki Tait in London

GRANADA, the British television and leisure group, yesterday launched a £110m (£198m) recommended paper bid for DPCE Holdings, the independent computer maintenance contractor.

Fresh offer for US healthcare products group

By Our Financial Staff

THOMPSON MEDICAL, a New York-based maker of healthcare products and meals for allumers, has received a \$20-a-share cash takeover proposal from a group led by Mr S. Daniel Abraham, its chairman and chief executive. The bid values the company at \$150m.

Thompson, best known for its Slim-Fast line of nutritional meal replacements, said its board had appointed a special committee to evaluate the proposal. The company said the committee is retaining independent counsel and independent investment bankers.

Consolidated-Bathurst plans London SE listing

BY ROBERT GIBBENS IN MONTREAL

CONSOLIDATED-BATHURST, the pulp and paper packaging arm of Power Corporation of Canada, plans to list its stock on the London Stock Exchange to gain access to new capital and also because of the rising importance of its Bridgewater Paper Company subsidiary in Lancashire.

in the UK economy, the mill has prospered. Mr William Turner, C-B's chairman, said that this year it would produce 250,000 tonnes of newspaper and add capacity leading to potential production of 300,000 tonnes a year, to hold the leading position in the UK newspaper industry.

Institut Merieux withdraws offer

INSITUT MERIEUX, a unit of France's Rhône-Poulenc, has withdrawn its C\$32 (US\$ 41) a share bid for 20 per cent of the common shares of CDC Life Sciences, the Canadian biotechnology group.

it was considering making another bid and other alternatives. It currently owns 12.6 per cent of CDC Life.

NBC buys cable TV franchise in bid to recover audience share

BY OUR NEW YORK STAFF

NBC, the leading US television network, has bought a medium-sized cable television franchise in its first major response to cable's deepening inroads into its audience.

Communications, which is in the throes of buying Tempo Enterprises. The deal, which is valued at about \$20m, is a modest outlay for the top-rated network. But Tempo is the beginning of what could be a vigorous expansion into an industry which has grown from ramshackle, heavily-indebted operations into a business with revenues exceeding \$10bn and access to half America's households with television.

Up to now, only ABC of the three networks has been a big cable investor, with a majority stake in the ESPN sport channel among other holdings. NBC has found entry difficult because the big cable networks are already owned by powerful groups such as ABC, Time, Gulf + Western and Tele-Communications.

DPCE also has a strong presence in the Netherlands, while Granada's major European business is in France. DPCE was formed after a management buyout of the UK and Dutch activities of an Australian-owned company, DPCE Pty, in 1981. It came to the stockmarket in 1983, capitalised at £20m.

Advertisement for Repsol Exploración, S.A. and Occidental Petroleum Corporation, featuring Salomon Brothers International Limited as financial advisor.

Advertisement for GRETAG Communications Security, featuring a GRETACODER 518 device and text about data security systems.

Substantial backing for Sandoz shares plan

SHAREHOLDERS of Sandoz, the Swiss chemicals group, yesterday voted overwhelmingly in favour of their board's controversial proposal to limit to 2 per cent the maximum stake in its registered share capital that can be entered in the name of a single shareholder or linked group of shareholders.

Ciba-Geigy, another of the three big Basle-based chemicals concerns, will submit a similar proposal to its annual meeting today.

The move by powerful Swiss companies to render inalienable their defences against takeovers, and unwanted shareholders, has been strongly criticised abroad, especially in London, where two Swiss companies, Nestlé and Jacobs Suchard, are bidding for control of Rowntree, the confectionery group.

The practice of restricting registration, permissible under Swiss corporate law, has recently been used by Swiss companies to ward off domestic raiders. Sulzer, the engineering group, refused to register shares bought by Mr Tito Teisemann, a Lugano lawyer, and his associates.

At the Sandoz meeting a large majority of the shareholders present, representing 53.3 per cent of the share capital, voted in a show of hands for the amendments.

Under the amendments the board can refuse to register shares if they could "jeopardise the Swiss character of the company or are made by competitors or persons close to competitors."

The opposition which had been expected from Swiss institutional investors failed to materialise.

Mr Hans Wirz, director of an investment trust for Swiss pension funds, was overwhelmingly voted down when he proposed that a decision on the board's resolution should be postponed.

Mr Peter Lehner, finance director of the city of Zurich, and Mr Robert Straub, in charge of the Zurich canton pension fund, who had written to banks urging them to oppose the proposal, did not appear at the meeting.

Siemens earnings slip to DM602m

BY ANDREW FISHER IN FRANKFURT

NET PROFITS of Siemens, the West German electrical and electronics company, fell by 9 per cent to DM522m (\$350m) in the six months ended March 1988, but new orders picked up, especially from abroad.

The company said that new business worth DM27.6bn was booked in the six months to end-March, 3 per cent more than in the same period of 1987. New foreign business was 12 per cent higher at DM1.6bn.

Although domestic orders fell by 8 per cent to DM11.6bn, with the exclusion of the weaker power station sector they rose by 3 per cent. The total order backlog stood at DM54.5bn on March 31, a 4 per cent gain over the year.

While heartened by the upturn in orders, the company remains sceptical about the outlook beyond 1988. The Government and independent economists expect growth of 2 per cent or more this year, but there is less confidence about prospects for 1989.

For this year, Siemens expects net income to be at least maintained, since turnover and profits should show a renewed rise in the second half after a 9 per cent fall to DM23.7bn in the first six months.

Turnover for the full year should climb from DM41.4bn to about DM58bn, with the inclusion of two German nuclear power station orders together worth nearly DM5bn.

In the last financial year, earnings were 13 per cent lower at DM1.2bn and the dividend was cut by DM1 to DM11.

Apart from the profits decline, the dividend cut reflected Siemens' desire to soothe the fears of its labour force, many of whom were on short time. However, short-time working has eased in recent months and now affects just under 6,000 people.

The sharp rise in new foreign business is a further sign of the resilience of German exporters, in spite of the D-Mark's strength and the weakness of the dollar. The improvement in Siemens' export figures has been felt across the range of group activities. These activities include non-nuclear power station orders from Egypt and Turkey and new telecommunications business from Nigeria.

Rémy drops bid for Benedictine

BY GEORGE GRAHAM IN PARIS

REMY MARTIN, the French cognac house, has abandoned its struggle to take over Benedictine, the liqueur producer.

The family-controlled company announced yesterday that it would not top the FF11.08bn (\$1.88bn) bid for Benedictine from Martini and Rossi, the international drinks group.

Martini, which was brought in by the management of Benedictine as a white knight to ward off Rémy's unwanted bid, has always been backed by the Normandy-based liqueur producer's founding family and Mr Alain Le Grand, its chairman.

Its offer of FF77,700 a share tops Rémy's latest bid by 10 per cent and is 24 per cent higher than the opening bid, launched in January, which aimed for only 60 per cent of Benedictine's capital.

Rémy, which had not bought any Benedictine shares, said yesterday that in order to continue with its bid it would have been obliged to raise its offer to FF11.13bn, nearly double the FF5.61bn it had originally put on the table.

Martini will be paying 135 times the 1987 earnings of Benedictine, which besides its traditional liqueur, first distilled by monks in 1510, also produces Casalini, the aniseed-flavoured drink, and Get27, the peppermint brew.

Mr Le Grand said, however, that he did not regard the price as spectacular. "Our products are difficult to reproduce, and it would cost a fortune if you had to create them from scratch."

Elkem posts sharp turnaround

BY ROBERT TAYLOR, NORDIC CORRESPONDENT, IN STOCKHOLM

ELKEM, THE Norwegian ferro-alloys and aluminium group, made a profit before extraordinary items of Nkr79m (\$12.6m) in the first quarter, compared with a loss of Nkr12m for the same period of 1987.

Company restructuring to reduce group debts and an improvement in world steel production have both helped Elkem's recovery.

The company's net extraordinary income of Nkr268m increased its pre-tax profit to Nkr347m, while group turnover

in the first quarter was Nkr2.16bn, compared with Nkr1.62bn in the corresponding 1987 period. Mr Fredrik Vogt Lorenzen, Elkem's president and chief executive officer, said the group's improved earnings were due to an upswing in the markets for aluminium and ferro-alloys as well as company rationalisation.

He added that market developments had been especially encouraging in the US, where there had been price increases for both ferro-alloys and silicon metal.

However, Mr Lorenzen also said the group's earnings had been weakened in the first quarter because of high energy costs and operating problems at some of the production plants.

As part of its strategy to cut the group's debt, Elkem has sold off assets worth Nkr525m since the middle of last December, including its corporate headquarters building.

At the same time, the group has expanded its production of electrode paste in Brazil.

Profits at Finsiel leap 62%

BY JOHN WYLES IN ROME

THE GROWING use of computer software in Italian public administration has been reflected by a surge in employment and profits at Finsiel, the country's state-owned software producer.

Consolidated revenues last year rose by 26.3 per cent to L574.7bn (\$961.6m) while net profits leapt by 62 per cent to L117.7bn. Research and development amounted to 15 per cent of sales.

Finsiel and its 13 component companies have emerged as Italy's leading software producers.

Launched by the Iri state holding company in 1969 in the absence of any significant software R&D initiatives in Italy, Finsiel's role has been partly to propagate the computer culture in the public sector and partly to raise the level of technological development in the south of the country, where two of its subsidiaries are based.

The group's workforce rose by 17 per cent last year to 4,500, with most of the new recruits being trainee graduates. According to its president, Mr Alessandro Alberici Quaranta, another 500 young graduates will be hired this year.

He said that 65 per cent of the group's revenues were drawn from public administration and local government but that increasing sales to less captive markets was a key objective. Mr Vittorio Salvati, Finsiel's managing director, acknowledged that net profits as a percentage of sales, at 9 per cent, were modest, but he claimed they were in line with the industry's average range, which ran between 2 per cent and 5 per cent.

Profile steel losses slow Krupp Stahl

BY DAVID GOODHART IN BONN

KRUPP STAHL, the steel making subsidiary of the West German conglomerate, has reported a steep drop in 1987 profits to DM5m (\$2.99m), down from DM71m the previous year.

The decline was not unexpected given the costs of closures and particularly difficult market conditions.

Total orders declined by about 7 per cent to DM5.5bn, with rolled steel down 8 per cent. Total turnover was little changed at DM5.5bn, against DM5.9bn.

The company said it had faced extraordinary costs from strikes at a plant in Rheinfelden, which forced closure. Production of crude steel fell to 3.8m tonnes last year from a previous 4.1m tonnes.

Krupp Stahl said more details would be released on May 20. However, it appears that in spite of improved profitability in flat products and quality steels, higher losses in profile steel are responsible for the overall profits decline.

The company is due to decide shortly whether to go ahead with a planned co-operation deal with Mannesmann, a rival group.

Akzo buys BASF unit to boost geotechnical side

BY LAURA RAUN IN AMSTERDAM

AKZO, THE Dutch chemicals and fibres group, is buying back Geomatrix Systems Group, a maker of synthetic products for agriculture, from BASF of West Germany. The price has not been disclosed.

Geomatrix Systems was transferred to BASF as part of American Enka, sold to the German company for about Fl 400m (\$213.5m) in 1983. Geomatrix is internationally active in the production, marketing and development of synthetic materials for soil stabilisation, erosion control and drainage.

Akzo wants to strengthen its position in the rapidly growing market for high-performance geotechnical products.

This is in line with its strategy of concentrating on higher value-added fibres and chemicals such as super-strong materials, specialty chemicals and paints and pharmaceuticals.

Geomatrix's activities will be carried out by Akzo Industrial Systems, a newly established company in Asheville, North Carolina.

The name reflects Akzo's new campaign aimed at a uniform corporate identity around the world.

Fisker family repels raid

BY HILARY BARNES IN COPENHAGEN

ONE OF THE first attempts in 20 years by a hostile raider to gain a controlling influence over a Danish company has failed.

Fisker & Nielsen, the family-dominated manufacturer of industrial vacuum cleaners, has prevented Mr Klaus Riskaer Petersen, a young Danish financier, from obtaining a place on the board.

Mr Petersen, who has accumulated about 25 per cent of the company's shares, made an open offer of Dkr1,700 (\$263) a share for a share earlier this month in an attempt to weaken the hold of the Fisker-Knudsen family.

The family owns more than 40 per cent of the equity. Mr Petersen's raid was not well received in business circles and the family managed to make a deal with two leading institutional investors to keep Mr Petersen off the board at a meeting yesterday.

Mr Petersen claims Fisker & Nielsen has substantial hidden assets and that these ought to be offered to him.

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Mr Petersen claims Fisker & Nielsen has substantial hidden assets and that these ought to be offered to him.

Western Mining Corporation Holdings Limited. through various wholly-owned subsidiaries has acquired control of Northgate Mines Inc., Grandview Resources Inc., Western Goldfields Inc., Seabright Resources Inc. for an aggregate consideration of C. \$480,000,000.

The Bank of Nova Scotia has acquired McLeod Young Weir Corporation. The undersigned acted as financial advisor to The Bank of Nova Scotia. April, 1988.

BARCLAYS BARCLAYS OVERSEAS INVESTMENT COMPANY B.V. U.S. \$600,000,000 Junior Guaranteed Undated Floating Rate Notes.

NORWEST CORPORATION Norwest Corporation U.S. \$100,000,000 Floating Rate Subordinated Capital Notes due 1998.

QUARTERLY DIVIDEND 50¢ per common share. PAYABLE: JUNE 15, 1988. RECORD: MAY 20, 1988. DECLARED: APRIL 27, 1988.

HALIFAX BUILDING SOCIETY £150,000,000 Floating Rate Loan Notes Due 1995 (Series A).

SABRE VII Limited U.S. \$50,000,000 Floating Rate Secured Notes due 1992.

GLOBAL NATURAL RESOURCES LTD A Scheme of Arrangement dated 17th May 1983 providing, among other things, for the exchange of bearer shares of Global Natural Resources Limited.

INTERNATIONAL COMPANIES AND FINANCE

Alan Friedman, recently in Bologna, on the battle for Italy's second biggest private bank

Credito Romagnolo makes corporate history

THE BATTLE for Credito Romagnolo, Italy's second biggest private bank, has been fierce. When it ended, in the small hours of Saturday morning, a coalition of Bolognese shareholders led by Mr Carlo De Benedetti had defeated an opposing faction championed by the Fiat group, his traditional rival.

At stake was one of Italy's most profitable banks, with a return on assets twice the national average and total funds of nearly \$15bn under management.

In Bologna the battle has been tainted by the odour of anti-semitism. Meanwhile, old families have been divided and friends have been set against friends in a manner that recalls the bitter confrontations between Guelphs and Ghibellines. And in Rome the Bank of Italy, the Italian central bank, has been monitoring events with more than casual interest.

The "Battle of Bologna" amounts, however, to more than just a personal rivalry between Mr De Benedetti and Fiat's Mr Gianni Agnelli, Italy's two most prominent industrialists. The Romagnolo saga marks the first time anyone can remember the management control of a major bank being decided by thousands

of small shareholders in an open meeting. As such it amounts to the making of a small piece of Italian corporate history.

Yet the Romagnolo battle also raises some uncomfortable questions for the Bank of Italy, which has a declared policy of opposing the control of banks by industrial concerns. The policy can be traced to past instances of industrialists such as the late Mr Carlo Pesenti controlling banks and funneling funds to their own companies.

Competitors' club

Both Mr De Benedetti and Mr Agnelli have reacted to the central bank's policy by keeping their equity stakes in banks below the 15 per cent limit. At Credito Romagnolo the bylaws restrict any single shareholder from owning more than 2 per cent.

But the reality is that Mr De Benedetti and his allies now control eight of the 15 seats on Romagnolo's board of directors while Mr Agnelli's Fiat is the largest single shareholder in Gemina, a financial vehicle that in turn is an influential shareholder at Nuovo Banco Ambrosiano, the third largest private bank in Italy. Indeed, a top Fiat executive

was recently appointed deputy chairman of Ambrosiano, albeit wearing his Gemina hat.

Fiat's indirect interest in Ambrosiano, a bank that competes with Romagnolo in the wealthy regions of Northern Italy, led members of the De Benedetti camp to charge that the shareholders' coalition backed by Fiat was a "competitors' club." Fiat has denied this, and said yesterday its shareholding in Romagnolo was "a purely financial investment." None the less, the two sides included an odd and colourful assortment of surrogates, among them some big names from Italian industry and finance.

The Fiat-backed grouping included the 90-year-old Mr Enzo Ferraro of sports car fame, Mr Pietro Barilla, the pasta king from Parma, and Mr Achille Marzotto, a clothing magnate from Reggio Emilia. Mr Franco Grande Stevens, personal lawyer to the Agnelli family, was also despatched to Bologna, although Fiat said he was acting on his own and not for the Agnelli group.

The De Benedetti camp included Mr Gianfranco Ferré, the Milan fashion designer, plus a number of old Bolognese Catholic families and prominent Rom-

agnolo shareholders. At the end of the day the De Benedetti side secured 63 per cent of the votes of 2,647 shareholders who attended last weekend's marathon meeting.

The battle which preceded it was so fierce that when shareholders assembled in Bologna they shouted, jeered, booed, whistled and virtually transformed the election of board members into a row between football fans.

At one point, in early March, there were undertones of anti-semitism. A Christian Democrat member of parliament, referring to the Rothschild bank of Zurich, a member of the De Benedetti coalition, was quoted by the local and national press speaking of the "rich Jews" who were set against "the small shareholders, largely Catholic."

Milan listing

This was not the case, according to Mr Alfredo Biavati, an 82-year-old Catholic accountant who was among Mr De Benedetti's supporters. "It is absurd to speak of religions in a bank because a bank must serve all religions," Mr Biavati said.

Mr Biavati was among the many small Romagnolo share-

holders who were courted by both sides. He chose to support the De Benedetti camp, in part because it put forward as Romagnolo chairman Mr Francesco Signardi, former general manager of Banca Nazionale del Lavoro (BNL), Italy's biggest bank. But the lobbying continued up to the last minute.

"Mr Grande Stevens came to see me," said Mr Biavati, "and offered a private jet to fly me up to Turin so I could speak with Fiat executives, but I told him I had already given my word to Mr De Benedetti, and I do not break my word."

Now that the battle is over Mr Signardi can be expected to follow the De Benedetti camp's programme of developing financial services, mutual funds and other para-banking businesses. Credito Romagnolo will also be brought to the Milan bourse in the near future.

The Bank of Italy will meanwhile be watching events to ensure that industrial and banking interests are kept separate at Romagnolo and elsewhere. But there is no getting around the fact that as of this week, both Fiat and Mr De Benedetti have become at least important shareholders in two of Italy's most important private banks.

Marginal rise in profits for Singapore Press

BY OUR FINANCIAL STAFF

SINGAPORE PRESS Holdings, the island's dominant publishing group, edged up net profits by 2.4 per cent to S\$43.21m (US\$21.6m) from S\$42.18m in the six months to February, as turnover grew by 10.7 per cent to S\$432.64m compared with S\$390.62m.

The company expects profits from newspaper operations to be lower in the second half but says this should be balanced by higher earnings from non-newspaper operations overseas. The first-half expansion in sales came from domestic operations.

The interim dividend is being maintained at 10 cents a share.

From yesterday, the Stock Exchange of Singapore has begun a separate quotation for those

shares in Singapore Press as well as Singapore Airlines (SIA) which are owned by foreigners. Brokers say foreign-owned shares in Singapore companies have been traded recently by foreign investors over-the-counter in off-shore markets at a premium over local market prices, and the exchange move might draw back some of this business.

As evidence of this premium, Singapore Press Foreign was traded for the first time, at S\$7.70, compared with S\$7.50 for the domestic shares. SIA Foreign was S\$12.70 compared with S\$11.50 for local holdings.

Overseas investors can own a maximum 49 per cent of Singapore Press and 25 per cent of SIA.

Court cancels NZI deal for control of CIC

THE VICTORIA Supreme Court yesterday overturned a deal by which NZI, the leading New Zealand financial services company, was to take control of CIC Holdings, an Australian insurance company, ruling that an ASXim (US\$65.7m) purchase of CIC shares last month contravened the Takeover Code. Reuter reports from Melbourne.

The court cancelled the deal between NZI and CIC's two largest shareholders - Inter-Pacific Equity, with 30.7 per cent, and Southern Pacific Insurance, with 29.2 per cent - which would have boosted NZI's stake to about 74 per cent of CIC.

Norwich Winterthur (Australia), a rival bidder for CIC, and Boral Foods, a minority shareholder, brought the action, arguing that the deal did not allow shareholders the benefit of Norwich's higher bid. NZI is expected to appeal.

The judge made his declaration on the understanding that Norwich Winterthur, a subsidiary of the British-based Norwich Union Fire Insurance Society and Switzerland's Winterthur Insurance, did not withdraw or lower its offer.

Norwich Winterthur's ASX70 a share bid for CIC, announced just after the 25m-share NZI deal with Southern Pacific and Inter-Pacific, topped NZI's ASX40 offer. NZI yesterday extended its offer for two weeks, until May 16.

Southern Sun recovers as foreign tourists return

BY JIM JONES IN JOHANNESBURG

HIGHER room occupancy rates and a recovery in the number of foreign tourists visiting South Africa combined to lift the turnover and restore profits of Southern Sun, the hotel group, in the year to March.

Turnover increased to R214m (R23.1m) from R203m, operating profits rose to R58.3m against R39.9m, and pre-tax profits were R6.1m against a loss of R600,000.

Mr Bruno Corte, the managing director, says occupancy rates exceeded expectations in the second half of the year and averaged

57 per cent for the year as a whole against the previous year's 53 per cent.

He is optimistic that occupancies will continue to rise as the local economy becomes more buoyant and as more foreigners visit South Africa. He warns, however, that higher operating costs will affect profits this year.

Earnings were 14.9 cents a share against 2.7 cents and the year's dividend has been lifted to 10 cents from 2 cents. Southern Sun is a subsidiary of South African Breweries.

Johan back in the black and sees further growth

BY WONG SUI-LONG IN KUALA LUMPUR

JOHAN HOLDINGS, a diversified Malaysian group, made a turnaround into profit profits of 10.2m ringgit (US\$4m) for the year to January compared with a loss of 700,000 ringgit.

Turnover rose by 30 per cent to 424m ringgit. The group said the results were due to a "better all round performance" by its subsidiaries and associate companies in line with the recovery in the Malaysian and Singapore economies, and it expected a further improvement this year.

Profit after tax and minorities was 306,990 ringgit against a loss of 2.8m ringgit. The directors do not propose a dividend.

As part of its rationalisation, all non-Malaysian assets were put into a new subsidiary, Abacus Pacific, incorporated in the Netherlands. Abacus has obtained approval for a listing in Australia.

Johan is the ultimate holding company of William Jacks, a distributor of luxury cars in the UK.

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Delta Galil earnings up 20%

BY ANDREW WHITLEY IN TEL AVIV

DELTA GALIL Industries, Israel's second largest textiles manufacturer, has reported net profits up 20 per cent to \$5.4m for 1987 on sales ahead by 8 per cent to \$103m.

The Israeli company is a leading exporter of underwear, socks and towels to Western Europe. Sales to the US have also grown since the abolition of import

Delta Galil earnings up 20%

duties for most textiles products under a free trade agreement.

Mr Dov Lautman, president, said yesterday that profits would have been better if it had not been for a freeze in the Israeli shekel's exchange rate against the dollar. With local costs rising by over 18 per cent a year, this reduced profitability substantially in the US market.

The privately owned company has meanwhile announced the appointment of Mr Henry Lewis, a former joint managing director of Marks and Spencer, as a non-executive director. Mr Lewis is currently deputy chairman of S & W Berisford and a director of several other British companies, including Dixons, the consumer electronics chain.

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NETWORK NATION

Japan Goes On-Line

Japan's multinationals now depend on computers and communications networks to manage the massive amounts of information which their turning operations generate. The ability to create, manage, and eventually pay for these systems will distinguish the winners from the losers in the global competition of the 1990s.

Also featured are:

- Whale Meets Again
- Can Japan be forced to give up whaling?
- U.S.-Japan Relations
- American chip makers will hold out for sanctions against Japan
- Business in Japan
- The Japanese may soon be living in American houses

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BUSINESS TOKYO

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All of these securities having been sold, this announcement appears as a matter of record only.

April, 1988

5,000,000 Shares



CONNER PERIPHERALS

Common Stock

This portion of the underwriting was offered in the United States by the undersigned.

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Bear, Stearns & Co. Inc.	The First Boston Corporation	Alex. Brown & Sons	Donaldson, Lufkin & Jenrette
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Butcher & Singer Inc.	Cable, Howse & Ragen	Crowell, Weedon & Co.	Gabelli & Company, Inc.
Morgan, Olmstead, Kennedy & Gardner	Needham & Company, Inc.	Newhard, Cook & Co.	Wedbush Securities, Inc.

This portion of the underwriting was offered outside the United States by the undersigned.

1,000,000 Shares

Shearson Lehman Hutton International	Montgomery Securities
Barclays de Zoets Wedd Limited	County NatWest Limited
Morgan Stanley International	N.M. Rothschild & Sons
Salomon Brothers International Limited	SBCI Swiss Bank Corporation
Société Générale	Westdeutsche Landesbank

INTERNATIONAL CAPITAL MARKETS AND COMPANIES

Mehran Nakhjavani on Third World debt provisioning in the Middle East Arab banks grasp the loan loss nettle

ARAB BANKS, comparative latecomers to the business of international sovereign lending in the late 1970s, have not been spared from the painful process of making substantial provisions in case of losses on these loans.

They have arguably been rather tardy, however, in joining the provisioning bandwagon, started a year ago by Citicorp of the US.

In some cases, the undemanding disclosure requirements in the Middle East often make it difficult to assess exactly what proportion of their loans to rescheduling countries the banks have provided for.

What is clear, however, is an unmistakable trend of rising provisions. Results from a selection of eight Arab banks, chosen because they have been most Third World lending and have made disclosures about their provisioning, show loan loss provisions have increased from some \$194m in 1986 to over \$1bn in 1987.

For these Arab banks still actively engaged in international markets, disclosure of their provisioning policy has become necessary in order to maintain their correspondents' confidence.

Arab Banking Corporation's chairman, Mr Abdullahi Saudi, recently said that 22.5 per cent of his bank's loans to rescheduling countries were covered by its \$375m provisioning charge for 1987.

The charge was partly covered by transferring \$277m from the bank's reserves, including an extraordinary reserve which had been created over the last five years. An extraordinary reserve,

Table with 5 columns: Name (Loan), 1987 Provisions, 1987 Profit, 1986 Provisions, 1986 Profit. Rows include Arab Banking Corporation, International Bank, etc.

PROFITS AND PROVISIONING CHARGES FOR SELECTED ARAB BANKS (\$M)

he said, "was better than direct provisioning (which) means that you recognise a loss already, and sometimes this could give the wrong impression."

Despite this view, ABC took direct provisions for its LDC exposure in response to the "strong pressure in the international markets for this kind of provisioning," Mr Saudi said. He has often pointed out that the tax advantages to many Western banks in making provisions do not apply to such banks as ABC, which operates from Bahrain in a tax-free environment.

This international pressure has also meant that ABC's main rival, Gulf International Bank, declared a "special charge" in 1987 of \$220m in order to cover its loan portfolio - the first time the bank has ever revealed such a charge in its income statement.

The bank, owned by the seven member states of the Gulf Co-operation Council together with Iraq, ran down its reserves by \$179m and announced a doubling

of its authorised capital, with a first tranche of \$111.4m to be paid in at the board's discretion.

Also requiring capital support has been Arabbank International, which, as a consortium of Arab and Latin American banks, can also be regarded as a special case.

With over 90 per cent of its loans to Latin America, the bank was first bailed out by its shareholders in 1986 with a \$225m subordinated loan, which effectively recapitalised the bank. Extraordinary provisions of \$132m in 1987 pushed it into a \$132m loss, which required a further \$112.5m of shareholder support - again in the form of subordinated loans - to replace the resultant write-off of half of the bank's capital.

One plan suggested by some big Arab banks in Bahrain was to create a "junk loan" vehicle, a special company capitalised by subordinated debt to which the banks could pass their non-performing debt loans.

Yet the idea was stillborn. The local regulatory authorities were said to be unenthusiastic about the funding base of such a vehicle, which would have effectively allowed the participating banks to finance bad debt with short-term lines of credit.

Indeed, the role of the regulators in Bahrain has been crucial in persuading the banks to conform to the spirit of the times and take heavy provisions. Guidelines drawn up by the Bahrain Monetary Agency - with a close resemblance to those issued by the Bank of England - were used by the banks in determining the level of their provisions against sovereign debt, according to a BMA advisor, Mr Malcolm Williams.

Some instances where the "junk loan" concept has apparently worked in within the Paris-based BAI group. This consortium of Arab and non-Arab banks has been given approval - the holding company

is in Luxembourg - to establish a Panamanian entity, called Euroloans Company Inc, into which the entire sovereign exposure of the banking units in the group, worth some \$400m, is to be transferred.

BAI's controller, Mr Norbert Stadler, says that the company is capitalised by \$80m worth of subordinated loans from shareholders, and its guarantees have obviated the need for loan loss provisions against Third World debt by any of the BAI banks, which are in Paris, Bahrain, London and New York.

But not all international Arab banks face such problems. One of the most active - the National Bank of Kuwait, which has 45 per cent of its \$2.1bn loans out to foreign borrowers - is in the enviable position of having only some \$250m worth of Third World exposure, according to its head of international banking, Mr Nasseh Saleh.

More than half this was acquired when NBK bought out an ailing consortium bank in Paris - FRAB Bank International - in 1986. According to Mr Sabbagh, NBK has been providing against its own exposure 100 per cent of which was put on in the 1970s, "for years and years," while FRAB's portfolio in now 25 per cent covered.

The impact of the loan loss provisioning crisis is perhaps most keenly felt among smaller Arab banks, such as the Abu Dhabi-based consortium, Arab Bank for Investment and Foreign Trade, which has a heavy exposure to the Arab banks' big push in the international syndicated loan market in the early 1980s. Its 1987 loss far exceeded the cumulative profit for the five previous years.

Australian dollar sector sees four further deals

BY DOMINIQUE JACKSON

THE AUSTRALIAN dollar sector of the Eurobond market continues to defy apparent logic and four new Australian dollar deals, totalling A\$290m, were launched yesterday as the market reopened following a holiday weekend in Britain.

Two US dollar deals, totalling \$500m, emerged, while two Canadian dollar deals were also issued. However, secondary market trade in most sectors was subdued with little impetus from the US Treasury market and no leads from Tokyo where markets are closed until Friday for Golden Week.

Windows for interest rate and currency swaps, which closed briefly last week and obliged several borrowers to postpone new Australian dollar deals, reopened yesterday, prompting four banks to lead manage issues for their own accounts.

Supporting the demand is the persistent buoyancy of domestic bond markets in Australia. These have been supported by a strong currency.

The first issue to emerge was a four-year A\$750m 12% per cent bond at 101 1/4 for and by Westpac Banking Corporation. The yield, at 12.67 per cent, gave a spread of 125 basis points over comparable Australian government bonds at launch. The issue, as with all Westpac's outstanding bonds, is subordinated debt - a factor which dealers said could prejudice its reception. The deal was bid at a discount of 1.70, against total fees of 1%.

The third was a three-year issue for a unit of Swiss Bank Corporation, led by Swiss Bank Corporation Investment Banking and guaranteed by the parent. The A\$75m 13 1/4 per cent deal was pitched at 101 1/4 for a spread of 120 basis points over government bonds. The bond was swapped into floating-rate dollars.

The lead manager said the deal was seeing good demand, particularly from Switzerland where US dollar-denominated investments. The deal was well bid at a discount of 1/2 against fees of 1%.

Late in the day, Wood Gundy Development Corporation to the market with a C\$300m five-year deal at 10 1/4 and 10 1/4. Initial bids were at a discount of 2, outside the 1% fee.

In West Germany, market uncertainty inhibited new activity for the second day running on news the Bundesbank had left the terms on its latest repurchase pact unchanged. However, a subsequent announcement that it would hold a new conference tomorrow kindled nerves about interest rates and prices slipped to close with small net losses.

In Switzerland, prices were unchanged to narrowly easier. Monday's issue for Nationwide Angle Building Society traded at a discount of 2 1/2, outside the 2% fee.

Finance for Danish Industry issued a Dkr500m 10 per cent four-year bond through Den Danske Bank, priced at 100 1/4. This was bid at a discount equal to its 1% fee.

Late in the day, Nomura International launched a ¥1.0bn recap-up coupon bond for Intel Investments. The issue is priced at 101 1/4 and the coupon will be 4% for the first year, rising to 4.8 per cent thereafter. The deal is not expected to trade widely.

Goldman Sachs International led the 8% per cent deal which

Guinness Peat Aviation makes private placement

BY KIERAN COOKE IN DUBLIN

GUINNESS Peat Aviation, the international aircraft leasing company based at Shannon in the Irish Republic, has raised US\$82.5m through the private placement of an additional 330,000 shares in the company.

Six institutions have become new shareholders: Allied Irish Banks, Bank of Nova Scotia, Irish Life Assurance, Pacificorp Credit, J Rothschild Holdings and Toronto Dominion Bank. Other institutions already holding shares which joined in the latest

issue include Aer Lingus, Mitsubishi Corporation and Colonial Investment Trust.

GPA says the issue is the second phase in an equity placement plan. It raised \$100m in a similar issue last September. "As an Irish company, we are particularly pleased that Allied Irish Banks and Irish Life Assurance have joined Aer Lingus as Irish shareholders. With an equity base of over \$450m, GPA is well placed for further growth," the company said.

Norsk Hydro to proceed with Nkr2.6bn rights

BY OUR FINANCIAL STAFF

NORSK HYDRO, Norway's largest publicly quoted company, has announced it will go ahead with its planned Nkr2.6bn (€415m) one-for-five rights issue - Norway's largest - to raise fresh capital. Some 17.1m new shares are to be issued, at a subscription price of Nkr150 each, a 21 to 22 per cent discount to the theoretical ex-rights price.

The 51 per cent state-owned Norsk Hydro had planned a rights issue in November, of between Nkr30m and Nkr3.5bn, but reduced the figure because of falling share prices.

"We need the rights issue to raise fresh capital," Norsk Hydro said, adding that about Nkr1.7bn of the proceeds would be used to buy the Government's 30 per cent stake in Hydro Aluminium, the second-largest aluminium producer in Europe.

Norsk Hydro said rights would be available to holders of shares in the US, including holders of American Depositary Receipts (ADRs).

Convertible bond issue by Rémy

By Stephen Fidler, Euromarkets Correspondent

REMY ET ASSOCIES, the distribution company of the French family-controlled cognac group Rémy Martin, is making a private placement in Switzerland of Sfr150m of convertible shares, which could bring in the group's first outside investment.

The offering, being made through Swiss Bank Corporation, is the first of the company's convertible bonds which will be convertible only if Rémy obtains a stock exchange listing. If fully converted, the shares would account for at least 30 per cent of the company's outstanding shares.

The coupon has been indicated at 2 1/2 per cent, with a par issue price, and the final maturity will be 1995.

The conversion price has been set at FF240, assuming a price-to-earnings ratio for the company of about 24. Because there is no public price for the shares, no conversion premium has been indicated.

If no listing had been made after four years, investors can put the bonds back to the issuer at an indicated yield of 4 per cent after four years or at 4 1/2 per cent after seven years. The issue was being depicted by bankers yesterday not as an initial public offering in the form of a convertible, but as a straight bond issue with deferred conversion rights.

Élémy yesterday called off its hostile bid for the liquor and luxury products group, Benedictine, which was the subject of a friendly counterbid from Martini & Rossi, the international drinks group. However, Rémy is still thought to be seeking other opportunities for expansion.

Compagnie du Midi, the French insurance group, has decided to postpone indefinitely two issues of convertible Eurobonds.

The decision, made after consultation with Swiss Bank's London investment banking arm, which arranged the issue, followed the announcement last week that it would merge its insurance businesses with those of the French Axa group.

All selling program allotments and managers underwriting commitments have been cancelled, although managers will receive their 1/2 per cent management fee.

FT INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. Closing prices on May 3

Table with columns: Country, Issuer, Maturity, Yield, Price, Change. Includes US STRAIGHTS, EURO STRAIGHTS, JAPAN STRAIGHTS, etc.

Table with columns: Country, Issuer, Maturity, Yield, Price, Change. Includes DEUTSCHE MARK STRAIGHTS, etc.

Table with columns: Country, Issuer, Maturity, Yield, Price, Change. Includes SWISS FRANC STRAIGHTS, etc.

Table with columns: Country, Issuer, Maturity, Yield, Price, Change. Includes CONVERTIBLE, etc.

Table with columns: Country, Issuer, Maturity, Yield, Price, Change. Includes NYSE tightens trading rules, etc.

THE New York Stock Exchange has begun requiring members and member firms to submit daily information about their programme trading activity, either on a proprietary or agency basis.

The need for analyses of trading, particularly programme trading, in connection with market volatility has increased recently, the exchange says.

The NYSE earlier imposed limits on programme trading when the Dow Jones Industrial Average moved up or down 50 points.

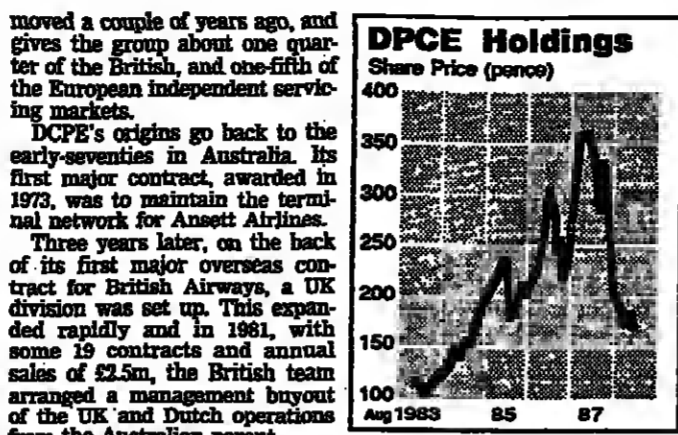
Advertisement for Lovell, White & King and Durrant Piesse. Text includes: 'are pleased to announce the merger of their practices on 1st May 1988'. Contact info: 21 HOLBORN VIADUCT LONDON EC1A 2DY, 73 CHEAPSIDE LONDON EC2V 6ER, TELEPHONE: 01-236 0066.

APPC Whes

Nikki Tait assesses Granada's bid to expand in the computer maintenance market

Hopes pinned on independent growth

"IF YOUR CAR went wrong sixty years ago, you took it back to Morris at Cowley. Now you get a local mechanic."
As soon as he offered this analogy Mr Harvey Tordoff, DPCE's recently-appointed managing director, admitted that it may not be exact.



DPCE's origins go back to the early-seventies in Australia. Its first major contract, awarded in 1973, was to maintain the terminal network for Ansett Airlines.
Three years later, on the back of its first major overseas contract for British Airways, a UK division was set up.

Some £10m of net cash following a rights issue at 320p last year. However, even deducting that from the Granada price, the exit multiple stands at more than thirty. Moreover, Granada admits that, ahead of any synergy benefits, there will be small dilution, perhaps four per cent, in earnings per share this year.

But the deal is clearly meant for the longer-term. And with others, in particular, Bell Atlantic's Sorbus subsidiary, believed to be on DPCE's track, the price for the market position was never going to be cheap.

Negotiations have taken six months, and yesterday the relatively small fall in the Granada share price, down 3p to 325p, suggested that the market for once was looking at the longer-term.
Certainly, it is scarcely in a position to complain. When Granada unveiled its bid for Electronic Rentals last October - which was finally secured at £280m - a few analysts carped that the deal simply increased the group's exposure to a mature, albeit cash-generative, business.

Glass Glover bid gets 59% acceptance

THE recommended bid by management for fresh fruit grower and distributor, Glass Glover has been accepted in respect of 59 per cent of the ordinary shares. It has, therefore, been declared unconditional.

The offer, which was made through a newly-formed company, Dryvale, with backing from Schroder Ventures and Standard Chartered Bank, reached its first closing date last Friday.
The management intends to take the company private - the first bid of this type for a quoted company since the stock market collapse last October.

Charity probe for Henley buy-out

THE Charity Commission announced yesterday that it had instituted a formal inquiry into the management buy-out a year ago of the Henley Centre for forecasting, which is now being acquired by WPP, the marketing and services company.
Before the buy-out, Henley was part of a charitable body. In recent weeks an anonymous letter has circulated in the press questioning the difference between the buy-out price of £500,000 and the sums being paid by WPP - an initial £3m, with a further earn-out putting a maximum price tag of £18.5m on the business.

Burmah Oil in Mexican joint venture deal

Burmah Oil, the lubricants and fuels distribution company, is expanding its presence in Mexico with the establishment of a joint venture with Comercial Buzkadi for the introduction and marketing of Castrol-brand automotive and industrial products.
Castrol will have a 40 per cent interest in the company, to be called Aceites Lubricantes y Grasas Comkadi. Burmah's partner is a diversified public company that, among other activities, distributes Suzuki motorcycles. Castrol marine products and

Chloride rejects chance to buy out SA minority

Chloride Group, British battery company, has turned down a chance to buy out the minority 42.5 per cent holding in its South African subsidiary from Haggie, South African wire rope, mining equipment and machine tools group.
The stake has nevertheless changed hands for about R8m (£2.2m) in a deal arranged by Chloride to fulfill a three-year-old redemption agreement between the partners.

Anyone can jump to a conclusion

Anyone can jump to a conclusion. We look before we leap.
INVESTORS are interested primarily in the answer to a single question: what happens next? That is why financial markets reflect today what is expected tomorrow, and why investment research is called upon to bridge the gap.

Assoc. Newspapers doubles GWR stake

Associated Newspapers Holdings has more than doubled its stake in GWR Group, the West Country, commuter, train company, which joined the USM in March, to 7.8 per cent.
Associated's original 3.7 per cent stake in GWR was an investment in Plymouth, South which merged with GWR last May.

Ashtead expands via £1m purchase

Ashtead Group, plant hire company, is to buy Wimpole, a non-operational plant hire company, from Willemot Dixon Holdings for a maximum £1.1m in cash.
The initial consideration of £750,000 includes £500,000 in repayment of debt owed by Wimpole to Willemot Dixon.

SHARE STAKES

Changes in the following company share stakes were announced in the past week:
Associated Newspapers: Family interests of Mr D.M. Levine, a director, have sold 275,000 ordinary shares. Mr Levine now has a holding of 1.77m ordinary.

Advertisement for Tait & Lyle PLC, proposed acquisition of Staley Continental, Inc. and Rights Issue. Includes details of share offerings and contact information.

Large advertisement for Warburg Securities. Features the headline 'Anyone can jump to a conclusion. We look before we leap.' and the Warburg logo. Text describes investment research services and contact details for S.G. Warburg, Aleroyd, Rowe & Pitman, Mullens Securities Ltd.

UK COMPANY NEWS

Plastic packaging sales help Delyn increase 56%

BY ANDREW HILL

STRONG GROWTH in sales of plastic packaging helped Delyn Packaging, based in South Wales, to increase pre-tax profits by nearly 56 per cent to £632,000 for the year to January 31, compared with £406,000 in 1986/87.

Group turnover rose to £8.22m (£7.17m). Earnings per share grew some 14 per cent, from 4.57p to 5.2p, held back by an increased tax charge.

Delyn now concentrates on consumer plastic packaging, particularly for food items, and has run down its paper product activity during the last 12 months. The company has sold the machinery for £300,000 and is preparing the paper converting factory - part of its Caspally base - for the installation of a new £2.25m production line, which will reprocess plastic waste to make PVC film.

This plant will be developed into a specialist film manufac-

turer and supplier and the company expects benefits to show through in 1988.

The group has also relocated its tooling subsidiary, Alpha Products, to Bristol, doubling its floor area.

Mr Paul Norman, who took over as chairman in March 1987, said he aimed to expand Delyn's product range, possibly to supply the do-it-yourself and horticultural markets.

"I think we could probably do a lot more about selling in Europe as well," he added.

Delyn is proposing a final dividend of 0.75p, making 1.125p (0.875p).

comment

An improved performance last year from the discontinued gift-wrapping operation may have obscured a drop in margins at Delyn's plastic packaging division. However, the price of finished goods has now caught up with raw material costs, which soared in 1987. More importantly, Delyn has finally purchased waste reprocessing equipment. The effects of this will not be seen until 1988, but it should help the company compete on level terms with its US\$-quoted rival, Dolphin Packaging, where margins are pushing 20 per cent. It should also enable Delyn to consolidate its position in a good growth area - wrapping fresh produce for supermarkets - making immediate diversification unnecessary. In the meantime, pre-tax profits of about £600,000 this year would put the shares - on a 3p to 70p yesterday - on a prospective multiple of about 11. This is cheaper than Dolphin, but Delyn still has to prove itself in an area where Dolphin already flourishes.

Forward Group lifted by extra capacity

By Patrick Daniel

Forward Group, manufacturer of hi-tech printed circuit boards, yesterday reported a 43 per cent increase in pre-tax profits to £1.3m in its maiden year on the USM.

The results, which matched City expectations, came on turnover up 27 per cent to almost £2m (£3.2m), largely from added capacity in its new Rugby facility acquired in November 1986.

With its niche in the small-batch, fast-turnaround end of the market, the group continued to enjoy margins in excess of 20 per cent.

The directors propose a final dividend of 2p, making a total for the year of 2.8p. Earnings per share were 11.5p, up from 7.59p.

Mr John Goulding, chief executive, said the group would continue to resist entering the high-volume, low-margin business - even though this had meant turning away customers, mainly companies making electronic consumer products.

"The consumer product market is too fickle and the margins are not exciting. We don't want to hear about them."

Mr Goulding and Mr Ray Chamberlain, chairman, who jointly founded the company in 1979, hold 65 per cent of the shares; only 22 per cent of company's equity capital was offered in the flotation in February of last year.

Mr Goulding added that as the group's core business of PCB manufacture is likely to reach a plateau in the next two years, the company's future growth would come from hi-tech acquisitions.

Forward acquired two such companies last year, Technograph Microcircuits and Silicon Microsystems, paying £460,000 in cash.

The group is now eyeing a new niche: providing a total package of capabilities in silicon chips, hybrid circuits and PCBs, incorporating research, design and production.

Forward shares, placed at 125p, closed unchanged at 195p yesterday.

Usher-Walker advances 48%

Usher-Walker, manufacturer of printing inks and rollers, yesterday revealed a 48 per cent expansion to £1.65m in 1987, pre-tax profits.

The outcome was posted on turnover up from £1.13m to £12.22m. Earnings per 10p share were lifted to 27.6p (18.22p), and a final dividend of 6.2p is proposed for a total of 8.9p (8.06p).

The directors said that £1.2m was being spent on installing computer-controlled materials handling systems at the Heywood newspaper ink plant, and that they were also budgeting for a relatively high rate of capital expenditure during the next three years to meet customers' changing requirements.

The adverse effect on results would, however, be offset by the additional plant enhancing profit-earning ability, they added.

BET makes plant hire and security purchases

BY CLAY HARRIS

BET, international support services group, has bought four plant hire businesses and seven small security operations for a total approaching £13m.

It also announced yesterday the sale of Rediffusion Radio Systems for £5m to management of the electronic communications equipment subsidiary.

In plant services, BET spent a total of £10m for ELLA, a Manchester-based crane hire company; J W Chorley, a plant hire, compressed air and oil services business; Acrow Iberica, a Spanish scaffolding company; and Transform Construction, a Bridgewater-based chain of hire shops.

Of the security acquisitions, Unit Security was the largest, valued at £1.5m in cash and loan notes. It takes BET into manned

guarding for the first time.

The other six purchases, for a total of £1.8m, are regional specialists in monitoring, access and alarm operations and will be added to Shorrock, BET's main security business. They are HC Security, Ecolarm, August Protection/August Lock and Safe, Jim Morris Security and APS.

The buy-out at Radio Systems, which will change its name to Rediffon, is backed by County NatWest Ventures. The business had turnover of £11.1m in the year to April 2.

The disposal follows BET's sale last month of the much larger Rediffusion Simulation for £15m to Hughes Aircraft, a General Motors subsidiary, and its plan announced last week to put Argus Press up for auction.

NOTICE TO THE HOLDERS OF

K mart (Australia) Finance Limited

Debentures as Extended to July 1, 2002

WE HEREBY NOTIFY YOU of the resignation of The Royal Bank and Trust Company (formerly The Royal Bank of Canada Trust Company) as Trustee under the Indenture, dated 10 July 1976.

K mart (Australia) Finance Limited has appointed National Westminster Bank USA, whose Corporate Trust Office is located at 175 Water Street, New York, New York 10038 as Successor Trustee under the Indenture, which appointment has been accepted and became effective as of April 19, 1988.

WE ALSO NOTIFY YOU THAT RoyWest Trust Corporation (Cayman) Limited, the Stock Trustee of the Arana Hills Properties Stock Trust created for the beneficial interest of the Debenture Holders has announced that with effect from February 15, 1988, it has changed its name to:

NATWEST INTERNATIONAL TRUST CORPORATION (CAYMAN) LIMITED following the acquisition by National Westminster Bank PLC, 41 Lombury, London EC2P2BP of 100% of the RoyWest Trust Group. The Stock Trustee's address is:

NatWest International Trust Corporation (Cayman) Limited
P.O. Box 707
West Bay Road
Grand Cayman
British West Indies

April 19, 1988

lyonnaise des eaux

The Board of Directors of LYONNAISE DES EAUX, which met on April 20, 1988, has closed company and consolidated accounts for the fiscal year 1987. The main results are given in the following chart:

	1986	1987	%
(in million francs)			
PARENT COMPANY			
Turnover	3,300	3,640	+10 %
Amortization and provisions	299	342	+14 %
Trading results	193	228	+18 %
Net profit	191	220	+15.2 %

The favourable evolution of the company's results is due mainly to the increase in the number of subscribers following the conclusion of new agreements. In this respect, 1987 has been marked by the conclusion of water supply and purification contracts with the cities of La Seyne-sur-Mer, Issoudun, Grasse, Cannes, Fécamp, Thourans, Chamoux and Hendaye.

	1986	1987	%
(in million francs)			
GROUP			
Turnover	15,696	16,940	+7.3 %
Amortization and provisions	1,253	1,477	+17.9 %
Trading results	953	986	+3.5 %
Net profit (Group share)	370	439	+18.6 %

Consolidated results breakdown between the different sectors of the Group is the following:

	1986	1987
(in million francs)		
Water (supply and treatment)	120.3	256.6
Urban cleaning services	32.8	33.6
Energy and heating	57.0	65.4
Mortuary services	30.4	43.7
United States	93.7	84.4
Industrial, financial and real estate activities	36.1	44.8
Net results (Group Share)	370.3	438.5

Fiscal year 1987 reflects DEGREMONT's beneficiary contribution to the results of the Water sector. The main sectors have produced increased results, except for the United States where results have increased in local currency but where the dollar effect has to be met. Industrial activities results have been affected by charges of starting companies belonging to the sectors of television (cable TV and M6), of spare-time activities and public health.

Moreover, the fiscal year has been marked by a strong growth of investments, approximately 2.7 bn Francs (1.4 in 1986) with a self-financing capacity of 1.9 bn Francs (1.5 in 1986).

The proposal will be made at the General Assembly, called for June 22, to distribute a 52 Francs dividend (48 Francs with tax credit) against 30 Francs for the preceding fiscal year.

1987 fiscal year accounts can be consulted at the Company's Main Office, pending their publication by BALO where they have been deposited.

CSL shows sharp increase

With substantial growth in its key areas, the CSL Corporation expanded its turnover 76 per cent and pre-tax profit 58 per cent in 1987.

The group, formerly known as York Mount, is quoted on the USM. Sales came to £7.17m (£4.07m) and profit to £1.54m (£976,000). Earnings rose to 6.53p (4.61p) and the final dividend is 1p for an unchanged 2p total.

In truck and trailer hire, the profit rose 64 per cent to £1.31m, while in property investment it was up 49 per cent at £221,000. The directors said there had been important developments which should enable the group to realise the significant potential which existed in the main business.

Rise at London Entertainments

London Entertainments, investment company, lifted taxable profits from £251,685 to £280,815 in the six months to February 29.

Turnover rose to £311,359 (£275,688), made up of £207,378 (£175,070) surplus on changes in investments, and other income virtually unchanged at £103,884. An exceptional charge of £18,778 related to back duty for VAT arising from a revised basis of assessment.

After tax of £80,139 (£68,758), earnings per 20p share rose to 5.47p against 4.98p last time.

NOTICE TO THE WARRANTHOLDERS CONCERNING ESTABLISHMENT OF RECORD DATE FOR INTERIM DIVIDENDS AND CHANGE OF DIVIDEND ACCRUAL PERIOD

UNY CO., LTD.

US\$60,000,000
2% per cent. Bonds due 1991
with Warrants

Pursuant to Clause 4(7) (b) of the Instrument dated 25th June, 1986, notice is hereby given as follows:

- At the Ordinary General Meeting of Shareholders of UNY CO., LTD. (the "Company") to be held on 17th May, 1988, certain amendments to the Articles of Incorporation of the Company will be proposed to the effect that the Company may, by resolution of its Board of Directors, make a cash dividend payable to Article 29(3) of the Commercial Code of Japan ("earnings dividend") to the shareholders of record as at 20th August in each year.
- Upon the approval at the Ordinary General Meeting of Shareholders of the Company on 17th May, 1988, the proposed amendments to the Articles of Incorporation will take effect as from 17th May, 1988, whereupon (a) the "Dividend Accrual Period" as defined in Condition 4 of the Terms and Conditions of the Warrants will be changed to each six-month period ending on 20th February or 20th August of each year and (b) the record date for the payment of annual dividends and interest dividends will be 20th February and 20th August respectively, of each year.

UNY CO., LTD.
By: The Tokyo-Mitsubishi Bank, Limited
London Branch
as Fiscal Agent Date: 4th May 1988

Midland Montagu Ventures

The Venture Catalysts

has arranged the

PRIVATE PLACING
of
£17,000,000

in Sibec Developments Limited



The following participated in the Placing:

- Charterhouse Development Limited
- Charterhouse Development Capital Fund Limited
- Electra Investment Trust P.L.C.
- Midland Montagu Ventures Limited
- M.I.M. Development Capital Limited
- Pioneer Mutual Insurance Company Limited
- Prudential Venture Managers Limited
- T.R. Property Investment Trust PLC



April, 1988

This announcement appears as a matter of record only.



HOUSE OF FRASER
£590,000,000
Financing

comprising
£300,000,000 Multi-Option Facility
£100,000,000 Revolving Loan Facility

for
HOUSE OF FRASER PLC
and
£190,000,000 Fixed Rate Loan

for
HOUSE OF FRASER PROPERTY INVESTMENT PLC

Arranged by
Samuel Montagu & Co. Limited

- Underwriters and Lead Managers
- Credit Suisse
 - Midland Bank plc
 - The Royal Bank of Scotland plc
 - Deutsche Bank Aktiengesellschaft
London Branch
 - Dresdner Bank Aktiengesellschaft
London Branch
- Managers
- International Westminster Bank PLC
 - Westpac Banking Corporation
 - Berclays Bank PLC
London Branch
 - Banca Nazionale del Lavoro
London Branch
- Participants
- Banco di Roma
 - Clydesdale Bank PLC
 - The Dai-ichi Kangyo Bank, Limited
 - The Sanwa Bank, Limited
 - The Sumitomo Bank, Limited
 - The Fuiji Bank, Limited
 - The Toronto-Dominion Bank
 - Bank of Scotland
 - Crédit Lyonnais
London Branch
 - The Industrial Bank of Japan, Limited
 - Société Générale
 - The Tokai Bank, Limited
 - Den Danske Bank
 - Westdeutsche Landesbank Girozentrale
- Additional Tender Panel Members
- Banque Indosuez
 - Kreditbank N.V.
London Branch
 - Istituto Bancario San Paolo di Torino
London Branch
 - S.G. Warburg & Co. Ltd.

Agent
Samuel Montagu & Co. Limited



April, 1988

COMMODITIES AND AGRICULTURE

Australian uranium policy revision warning by CRA

BY CHRIS SHERWELL IN SYDNEY

AUSTRALIA WOULD MISS a rare opportunity if the Government failed to revise its current uranium mining policies...

He said Australia had about a third of the world's available low-cost uranium reserves...

Orderly expiry of potato contract

By Richard Mooney

SIGNS THAT British potato-growers were coming to terms with the operations of London's Potato Futures Market...

Helping farmers to be enterprising

Food from Britain, the quango, is five years old. Bridget Bloom talks to its chairman

LAST MONTH a bright new broadsheet was sent to more than 100,000 UK farmers...

The broadsheet is the creation of Mr Walter Goldsmith, second chairman of Food from Britain...

He puts a brave face on FFB's problems, believing that even with its small funds it can be a catalyst to action on several fronts at once.

At the same time he is trying to persuade one of the bigger agricultural colleges to establish a business school for farmers.

On a wider front he has just launched a joint-venture with PA Consultants to advise food and farming companies...

FFB will hold a conference on the issue jointly with the Food and Drinks Federation in the autumn.

Clearly the challenges will vary depending on the company and sector of the market.

Mr Goldsmith says: "There are at present some 500 marketing co-operatives with a turnover of £2bn but there could be many

promotion of British food at home and its export abroad...

It is commonly assumed, and is the common complaint of many a British exporter...

Britain probably spends almost as much overall as the £20m annual budget of Sopexa...

For example, the Milk Marketing Board covering England and Wales...

They are all jealous of their own programmes and unwilling to give more than small sums to FFB...

He says he understands the Government's insistence that most of his funds should come from industry...

For the next three years FFB will receive up to £2.5m a year from government...

Mr Goldsmith hopes this will cover administration. He has through programmes like the 1982 consultancy joint-venture...

FFB's bread-and-butter task is

WEEKLY METALS

All prices as supplied by Metal Bulletin (last week's prices in brackets).

Shortage 'will keep LME nickel above \$6 a pound'

BY KENNETH GOODING, MINING CORRESPONDENT

SEVERE SUPPLY shortages will keep the London Metal Exchange price of three-month nickel above \$6 a lb in this first half...

At the start of this year Wolff observed to be too bullish when it predicted the nickel price would reach a peak of \$4 a lb in this first half.

Now Mr John Harris, the analyst, supports his latest forecast by saying western world stocks of nickel are estimated by Wolff to have fallen by 8,000 tonnes...

Wolff expects non-socialist switch from sterling to dollars in the currency denomination interest had remained minimal...

LME members have been asked to give their comment about the silver contract in time for the next board meeting on May 11.

The change is one of several under consideration by the LME board.

LME WAREHOUSE STOCKS

Table with columns: Commodity, Standard, High/Low, and Price. Includes Aluminum, Copper, Lead, Zinc, Tin, Silver, and Gold.

Cocoa producers vow to cut surpluses and study ways to boost prices

MAIN COCOA-PRODUCING countries have vowed to reduce world surpluses...

The alliance ended its meeting with a statement deploring current market conditions...

Mr Kofi Walla, Togo's Minister of Rural Development, who chaired the meeting...

Membership of the committee was not divulged.

However, delegates said no specific measures were planned between now and the end of this month.

buying and withholding - whether because they are blocked or simply not put into operation...

However, there was no indication producers planned to withdraw from the agreement.

The general feeling was that producers could not rely on the pact and had to take steps on their own behalf to boost prices...

The alliance's members are: Ivory Coast, Ghana, Brazil, Togo, Cameroon, Nigeria, Gabon, São Tomé and Príncipe, Ecuador, Mexico, the Dominican Republic and Trinidad and Tobago.

TEA AUCTION

THERE WERE 24,429 packages on offer at yesterday's weekly London tea auction...

That included 8,300 packages in the offshore section. Prices quoted for quality tea averaged 135p a kg (nominal)...

Medium tea averaged 56p per kg, down 7p, and low medium 79p, down 6p.

The market was generally weak at auction but the few bright liquoring Kenyan teas, particularly Pekoe dusts...

Plainer liquoring teas from all origins 40p to 6p per kg where solid quality Ceylon gold and higher prices but colour mediums and plainer sorts eased by 3p to 5p per kg.

LME may drop its silver contract

BY KENNETH GOODING

THE London Metal Exchange may drop its silver contract, which has hardly been used since early 1980.

At that time an unsuccessful attempt was made to corner world silver supplies and some LME traders suffered big losses.

In spite of changes to the size of the silver contract and a

WORLD COMMODITIES PRICES

LONDON MARKETS

Table of LONDON MARKETS prices for various commodities like COCOA, COPPER, and SILVER.

SPOT MARKETS

Table of SPOT MARKETS prices for items like DUBAI, BREND BLEND, and OIL PRODUCTS.

GRAINS

Table of GRAINS prices for Wheat, Rubber, and Soybeans.

COCOA

Table of COCOA prices for various grades and origins.

COPPER

Table of COPPER prices for different grades.

SILVER

Table of SILVER prices for various types.

SOYBEANS

Table of SOYBEANS prices for different grades.

WHEAT

Table of WHEAT prices for various types.

RUBBER

Table of RUBBER prices for different grades.

LONDON METAL EXCHANGE

Table of LONDON METAL EXCHANGE prices for Aluminum, Copper, Lead, Zinc, Tin, Silver, and Gold.

POTATOES

Table of POTATOES prices for different grades.

SOYBEAN MEAL

Table of SOYBEAN MEAL prices for various grades.

FREIGHT FUTURES

Table of FREIGHT FUTURES prices for different routes.

COYTON

Table of COYTON prices for different grades.

LONDON BULLION MARKET

Table of LONDON BULLION MARKET prices for Gold and Silver.

SOYBEAN MEAL

Table of SOYBEAN MEAL prices for various grades.

PLATINUM

Table of PLATINUM prices for different grades.

SILVER

Table of SILVER prices for various types.

SOYBEAN MEAL

Table of SOYBEAN MEAL prices for various grades.

LONDON METAL EXCHANGE TRADED OFFERS

Table of LONDON METAL EXCHANGE TRADED OFFERS for Aluminum, Copper, and Silver.

US MARKETS

Table of US MARKETS prices for various commodities.

NEW YORK

Table of NEW YORK prices for various commodities.

ORANGE JUICE

Table of ORANGE JUICE prices for different grades.

WHEAT

Table of WHEAT prices for various types.

SOYBEANS

Table of SOYBEANS prices for different grades.

SOYBEAN MEAL

Table of SOYBEAN MEAL prices for various grades.

CHICAGO

Table of CHICAGO prices for various commodities.

SOYBEAN MEAL

Table of SOYBEAN MEAL prices for various grades.

WHEAT

Table of WHEAT prices for various types.

SOYBEANS

Table of SOYBEANS prices for different grades.

SOYBEAN MEAL

Table of SOYBEAN MEAL prices for various grades.

WHEAT

Table of WHEAT prices for various types.

CHICAGO

Table of CHICAGO prices for various commodities.

SOYBEAN MEAL

Table of SOYBEAN MEAL prices for various grades.

WHEAT

Table of WHEAT prices for various types.

SOYBEANS

Table of SOYBEANS prices for different grades.

SOYBEAN MEAL

Table of SOYBEAN MEAL prices for various grades.

WHEAT

Table of WHEAT prices for various types.

EUROPEAN OPTIONS EXCHANGE

Table with columns for Series, Vol, Last, Bid, Offer, and Stock. Lists various options contracts and their market data.

BASE LENDING RATES

Table showing base lending rates for various banks and currencies, including ADN Bank, Citibank, and others.

DOCKLANDS PROPERTIES
The Residential Property Pages will focus on this subject on 28th May & 25th June.

JOTTER PAD
FT CROSSWORD No.6,621
SET BY PROTEUS

Crossword puzzle grid with numbers 1-29 indicating starting positions for words.

ACROSS
1 Unnamed individual may be a person of importance (8)
2 Six times for business hops (6)
3 Show forbearance (8)
4 Not often found in scientific race papers (6)
5 Joseph O'Docherty's surprise it appears (5)
6 Prevent payment for hire of nuclear weapon? (9)
7 Concept as a plant may be (6)
8 Sportsman ending in Jug (7)
9 Scruffy punk met unexpectedly (7)
10 Sad, but laid back about return of manuscript (5)
11 Bird to be seen in Tower of London (9)
12 Sounds like a girl one might want to ring (5)
13 Crowd players mentioned at foot of hill (6)
14 Appearance of charm (8)
15 Pirate treasure (6)
16 Let out and let out again (8)
17 Royal engineer as author (8)
18 Fire-arm tending to jam after marriage? (9)
19 Food money can provide (5)
20 Resolved to be firm (7)
21 Cuts in charges for material (9)
22 Wallace's method of communication (5)

Solution to Puzzle No.6,620
QUESTIONS
1. BIRD
2. HOPS
3. FORBEARANCE
4. SCIENTIFIC
5. O'DOCHERTY
6. NUCLEAR
7. PLANT
8. JUG
9. SCRUFFY
10. MANUSCRIPT
11. TOWER
12. GIRL
13. PLAYERS
14. CHARM
15. TREASURE
16. LET OUT
17. ROYAL ENGINEER
18. FIRE-ARM
19. MONEY
20. FIRM
21. CUTS
22. WALLACE

AUTHORISED UNIT TRUSTS

Large table listing authorized unit trusts, including names like Abbey Unit Trst, Abbey Unit Trst, and various investment funds.

FT UNIT TRUST INFORMATION SERVICE

Extensive table providing detailed information for various unit trusts, including names, managers, and performance metrics.

Handwritten signature or mark at the bottom of the page.

FT UNIT TRUST INFORMATION SERVICE

Handwritten note: "هذا على ما هو عليه"

Table of financial data for various unit trusts, including columns for fund names, managers, and performance metrics.

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INSURANCES

Table of insurance data, including columns for company names, policies, and rates.

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FT UNIT TRUST INFORMATION SERVICE

Prudential Assurance Co Ltd 100 Bishopsgate, London EC2M 3LF Tel: 01-232 4241 Prudential Assurance Co Ltd 100 Bishopsgate, London EC2M 3LF Tel: 01-232 4241	Prudential Assurance Co 100 Bishopsgate, London EC2M 3LF Tel: 01-232 4241 Prudential Assurance Co 100 Bishopsgate, London EC2M 3LF Tel: 01-232 4241	Royal Heritage Life Assurance Ltd 100 Bishopsgate, London EC2M 3LF Tel: 01-232 4241 Rural Heritage Life Assurance Ltd 100 Bishopsgate, London EC2M 3LF Tel: 01-232 4241	Standard Life Assurance Co Ltd 100 Bishopsgate, London EC2M 3LF Tel: 01-232 4241 Standard Life Assurance Co Ltd 100 Bishopsgate, London EC2M 3LF Tel: 01-232 4241	TSB Life Ltd 100 Bishopsgate, London EC2M 3LF Tel: 01-232 4241 TSB Life Ltd 100 Bishopsgate, London EC2M 3LF Tel: 01-232 4241	Wellington Assurance Co Ltd 100 Bishopsgate, London EC2M 3LF Tel: 01-232 4241 Wellington Assurance Co Ltd 100 Bishopsgate, London EC2M 3LF Tel: 01-232 4241	Windsor Assurance Co Ltd 100 Bishopsgate, London EC2M 3LF Tel: 01-232 4241 Windsor Assurance Co Ltd 100 Bishopsgate, London EC2M 3LF Tel: 01-232 4241	Yorkshire Assurance Co Ltd 100 Bishopsgate, London EC2M 3LF Tel: 01-232 4241 Yorkshire Assurance Co Ltd 100 Bishopsgate, London EC2M 3LF Tel: 01-232 4241
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FT UNIT TRUST INFORMATION SERVICE

Table of FT Unit Trust Information Service listing various unit trusts, their managers, and performance data.

LONDON SHARE SERVICE

Table of London Share Service listing various share funds, their managers, and performance data.

Money Market Trust Funds

Table of Money Market Trust Funds listing various trust funds and their details.

Money Market Bank Accounts

Table of Money Market Bank Accounts listing various bank accounts and their details.

AMERICANS - Contd

Table listing American stocks with columns for stock name, price, and other financial metrics.

BUILDING, TIMBER, ROADS

Table listing stocks in the building, timber, and roads sectors.

DRAPERY AND STORES - Contd

Table listing stocks in the drapery and stores sector.

ENGINEERING - Contd

Table listing stocks in the engineering sector.

INDUSTRIALS (Misc.) - Contd

Table listing miscellaneous industrial stocks.

INDUSTRIALS (Misc.)

Table listing miscellaneous industrial stocks.

CANADIANS

Table listing Canadian stocks.

Table listing stocks in the building, timber, and roads sectors.

ELECTRICALS

Table listing stocks in the electricals sector.

Table listing stocks in the engineering sector.

Table listing miscellaneous industrial stocks.

Table listing miscellaneous industrial stocks.

BANKS, HP & LEASING

Table listing stocks in the banks, hire purchase, and leasing sectors.

CHEMICALS, PLASTICS

Table listing stocks in the chemicals and plastics sectors.

Table listing stocks in the electricals sector.

Table listing stocks in the engineering sector.

Table listing miscellaneous industrial stocks.

Table listing miscellaneous industrial stocks.

HIRE PURCHASE, LEASING, ETC.

Table listing stocks in the hire purchase and leasing sectors.

DRAPERY AND STORES

Table listing stocks in the drapery and stores sector.

Table listing stocks in the electricals sector.

FOOD, GROCERIES, ETC.

Table listing stocks in the food, groceries, and other sectors.

Table listing miscellaneous industrial stocks.

Table listing miscellaneous industrial stocks.

BEERS, WINES & SPIRITS

Table listing stocks in the beer, wine, and spirits sectors.

Table listing stocks in the drapery and stores sector.

HOTELS AND CATERERS

Table listing stocks in the hotels and caterers sector.

INDUSTRIALS (Misc.)

Table listing miscellaneous industrial stocks.

INSURANCES

Table listing stocks in the insurance sector.

INDUSTRIALS (Misc.)

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LONDON SHARE SERVICE

INSURANCES - Contd

Table listing insurance companies and their share prices, including Royal Indemnity, Commercial Union Assurance, and others.

PAPER, PRINTING, ADVERTISING - Contd

Table listing companies in the paper, printing, and advertising sectors, such as Newsprint, Newsprint, and others.

TEXTILES - Contd

Table listing textile companies and their share prices, including British Textiles, British Textiles, and others.

TRUSTS, FINANCE, LAND - Contd

Table listing trusts, finance, and land companies, such as British Trustee, British Trustee, and others.

OIL AND GAS - Contd

Table listing oil and gas companies, including British Petroleum, British Petroleum, and others.

MINES - Contd

Table listing mining companies and their share prices, such as Anglo American, Anglo American, and others.

LEISURE

Table listing leisure companies and their share prices, including British Leisure, British Leisure, and others.

PROPERTY

Table listing property companies and their share prices, such as British Property, British Property, and others.

TOBACCO

Table listing tobacco companies and their share prices, including British Tobacco, British Tobacco, and others.

TRUSTS, FINANCE, LAND

Table listing trusts, finance, and land companies, such as British Trustee, British Trustee, and others.

OVERSEAS TRADERS

Table listing overseas traders and their share prices, including British Overseas, British Overseas, and others.

PLANTATIONS

Table listing plantation companies and their share prices, such as British Plantations, British Plantations, and others.

MOTORS, AIRCRAFT TRADES

Table listing motors and aircraft trade companies and their share prices, including British Motors, British Motors, and others.

INVESTMENT TRUSTS

Table listing investment trusts and their share prices, such as British Investment, British Investment, and others.

FINANCE, LAND, ETC

Table listing finance, land, and other companies, including British Finance, British Finance, and others.

MINES

Table listing mining companies and their share prices, such as British Mines, British Mines, and others.

CENTRAL AFRICA

Table listing central Africa companies and their share prices, including British Central, British Central, and others.

DIAMOND AND PLATINUM

Table listing diamond and platinum companies and their share prices, such as British Diamonds, British Diamonds, and others.

NEWSPAPERS, PUBLISHERS

Table listing newspaper and publisher companies and their share prices, including British Newspapers, British Newspapers, and others.

SHIPPING

Table listing shipping companies and their share prices, such as British Shipping, British Shipping, and others.

SHOES AND LEATHER

Table listing shoes and leather companies and their share prices, including British Shoes, British Shoes, and others.

OIL AND GAS

Table listing oil and gas companies, including British Petroleum, British Petroleum, and others.

FINANCE

Table listing finance companies and their share prices, such as British Finance, British Finance, and others.

AUSTRALIAN

Table listing Australian companies and their share prices, including British Australia, British Australia, and others.

PAPER, PRINTING, ADVERTISING

Table listing paper, printing, and advertising companies, such as British Paper, British Paper, and others.

SOUTH AFRICANS

Table listing South African companies and their share prices, including British South, British South, and others.

TEXTILES

Table listing textile companies and their share prices, including British Textiles, British Textiles, and others.

TRUSTS, FINANCE, LAND

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MINES

Table listing mining companies and their share prices, such as British Mines, British Mines, and others.

THIRD MARKET

Table listing third market companies and their share prices, including British Third, British Third, and others.

REGIONAL & IRISH STOCKS

Table listing regional and Irish stocks, such as British Regional, British Regional, and others.

TRADITIONAL OPTIONS

Table listing traditional options and their prices, including British Options, British Options, and others.

PROPERTY

Table listing property companies and their share prices, such as British Property, British Property, and others.

OVERSEAS TRADERS

Table listing overseas traders and their share prices, including British Overseas, British Overseas, and others.

Stock Exchange dealing classifications are indicated to the right of company names. A table of stock exchange dealing classifications is provided at the bottom of the page.

LONDON STOCK EXCHANGE

Interest rate uncertainty brings weakness to Gilt-edged stocks but leading equities resist

Account Dealing Dates table with columns for Dealings, Dates, and Accounts.

INCREASING CONCERN over the trend of interest rates world-wide put a damper on the Gilt-edged market...

Expectations that the Federal Reserve would move to tighten credit led to the revision of bonds on international interest rate trends...

A leading economist said pessimism is growing over where global rates are going to inflationary pressures are returning because of faster growth and the combination of these factors is taking the fizz out of sterling...

RTZ were also strongly supported back into the limelight on Monday, London was encouraged by the continuation of the Dow Jones's upward progress...

Germany's Siemens group, widely tipped last week as the probable "dawn raider" pre-empted by Racal's Vodafone self-off announcement...

Dealers said that once the initial flush of selling was out of the way they expected Barclays old and new to push ahead...

Markets were again featured by fresh activity in Hawker (2.5m shares changed hands) which advanced to 531p, up 16p...

After displaying scant regard for the US market's firmer tone on Monday, London was encouraged by the continuation of the Dow Jones's upward progress...

Consolidated Gold Fields moved back into the limelight with dealers reporting strong buying interest from the US, Japan and the European institutions...

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FINANCIAL TIMES STOCK INDICES table with columns for Index, May 3, Apr 29, Apr 28, Apr 27, Apr 26, Apr 25, Apr 24, Apr 23, Apr 22, Apr 21, Apr 20, Apr 19, Apr 18, Apr 17, Apr 16, Apr 15, Apr 14, Apr 13, Apr 12, Apr 11, Apr 10, Apr 9, Apr 8, Apr 7, Apr 6, Apr 5, Apr 4, Apr 3, Apr 2, Apr 1, 1988, High, Low, Store Completion, High, Low.

LONDON REPORT AND LATEST SHARE INDEX: TEL. 0898 123001

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supported last Friday when brokers paid up to 144p for the stock, took a tumble yesterday as nervousness about the forthcoming figures triggered a widespread sell-off which left the shares a net 8 off at 132p.

AG Stanley, the DIY group under siege from Ward White, the Plywood and Halfords group, advanced 9 to 307p as speculators anticipated either an increased offer from Ward White or a counter from a third party.

Elsewhere, excellent preliminary figures and the proposed one-for-four split triggered support for Mass Bros., 30 higher at 1085p.

The hype surrounding the proposed flotation of Racal's Vodafone division prompted a wave of buying interest in British Telecom which has a majority stake in Cellnet, and lifted Telecom shares 5 1/2 to 254p on turnover of 5.4m...

Turnover in the other top-line electronics was much quieter. GEC, talked of as a possible bidder for Racal during the past couple of weeks, was a fraction off at 150p, on turnover of 3m...

Engineers were again featured by fresh activity in Hawker (2.5m shares changed hands) which advanced to 531p, up 16p...

RTZ bid suggestions, staged a revival and closed 8 1/2 to the good at 815 1/2p. Rolls-Royce nudged a shade higher to 113p awaiting a seminar with Hoare Govett on Thursday.

Rowntree shares, slight recently following the dawn raid from Jacobs Suchard and the 22.1bn bid from Nestlé, came under a sustained bout of selling pressure and closed a net 15 off at 905p with market operators openly talking about the increasing chances of a monopolies commission reference to the two moves by the Swiss company...

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annuation fund have informed Caffyns that as a result of a sale of ordinary shares they no longer have a notifiable interest in the company.

Jefferson Smurfit closed 8 down at 380p after announcing preliminary figures and the proposed acquisition of Dinagrafica Inc. of the US for a total cost of approximately \$33m.

Courtauld, sustained for some time by stabilising turnover, edged up 3 to 389p after settling 5 off on balance at 381p as it was revealed that Robert Fleming, the London merchant bank, had built up an estimated 3 per cent stake in the group...

Dealers reported an expansion of interest in the Traditional Options market yesterday. Stocks to attract money for the call included Logitech, Northamber, Cambridge Instruments, BOM Holdings, Town Centre, Hawtill Whiting, Northern Foods, Storr-guard, Stakis, Wimpey, Greenwich Resources, British Petroleum, British Telecom, British Airways and NAW Computers...

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FT - ACTUARIES INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table with columns for EQUITY GROUPS & SUB-SECTIONS, Tuesday May 3 1988, Fri 29, Thu 28, Wed 27, Year (approx).

FIXED INTEREST

Table with columns for PRICE INDICES, May 3, Day's change %, Fri 29, Thu 28, Wed 27, Year (approx).

LONDON TRADED OPTIONS

Table with columns for CALLS, PUTS, Option, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec, 1988.

TRADING VOLUME IN MAJOR STOCKS

Table with columns for Stock, Volume, Stock, Volume, Stock, Volume.

RISES AND FALLS YESTERDAY

Table with columns for British Funds, Rises, Falls, Same.

LONDON RECENT ISSUES

Table with columns for Issue, Price, Yield, Stock, Price, Yield.

FIXED INTEREST STOCKS

Table with columns for Issue, Price, Yield, Stock, Price, Yield.

RIGHTS OFFERS

Table with columns for Issue, Price, Yield, Stock, Price, Yield.

1 Flat yield, High and low record, base dates, values and constituent changes are published in Saturday Issues. A list of constituents is available from the Publishers, The Financial Times, Brackley House, Cannon Street, London EC4A 3DF, (price 15p, inc. post).

WORLD STOCK MARKETS

Table of stock market data for Australia, France, Germany, Netherlands, and Sweden. Columns include country, stock name, price, and change.

Table of stock market data for Japan, Canada, and various international indices. Includes sections for Japan, Canada, and Indices.

CANADA

Table of Canadian stock market data, including Toronto and Montreal closing prices for various stocks.

OVER-THE-COUNTER

Table of over-the-counter market data, listing various stocks and their prices.

INDICES

Table of major stock indices including Dow Jones, Nikkei, and others, with columns for date, high, low, and change.

Table of New York stock market activity, including trading volume, market breadth, and sector performance.

Advertisement for 'Travelling on Business?' featuring a list of hotels and the 'FINANCIAL TIMES' logo.

Have your F.I. hand delivered... at no extra charge, if you work in the business centres of LISBOA & PORTO. Lisboa 887844 And ask Roberto Alves for details.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Main table containing stock prices for various companies, organized by sector and alphabetically. Columns include stock name, price, and change.

NYSE COMPOSITE CLOSING PRICES

Table of NYSE Composite Closing Prices for various stocks, including columns for stock name, price, and change.

AMEX COMPOSITE CLOSING PRICES

Table of AMEX Composite Closing Prices for various stocks, including columns for stock name, price, and change.

OVER-THE-COUNTER Nasdaq national market, closing prices

Table of Over-the-Counter Nasdaq national market closing prices for various stocks, including columns for stock name, price, and change.

Advertisement for Athens (01) 7237167, Hellenic Distribution Agency, featuring the text 'Have your F.T. hand delivered...' and 'FINANCIAL TIMES'.

AMERICA

Dow builds rally on back of strong blue chip issues

Wall Street

THE MARKET sustained a broad-based rally yesterday amid moderate trading and a quiet bond market, writes Deborah Hargreaves in New York.

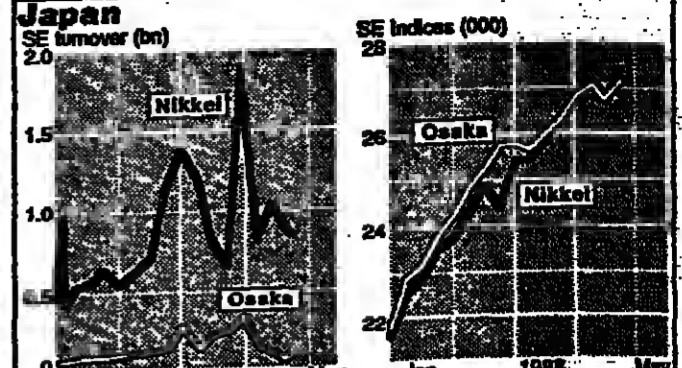
submit trading data by the close of the second business day following the trades, but this is not expected to discourage arbitrage in the long run.

The Dow Jones Industrial Average managed to hold its gains to close at 2,058.36, an increase of 15.08, with broader market indices also showing slight rises.

Japan's older but weaker relation is regaining some of its former strength. Futures trading breathes new life into Osaka



JAPAN'S second stock market, the Osaka Securities Exchange, is showing new vigour thanks to active trading in stock futures, boosted by a reduction in the bourse tax, writes Akihiko Suzuki of Jiji Press.



Trading in stock futures, which in Japan is allowed only on the Osaka exchange, was boosted by a reduction in the bourse tax last September.

Control Data, computer company, rose 1% to \$26 1/4 on reports that the Belzberg family of Canada had acquired a five per cent stake in the company and may be considering a takeover bid.

STOCKS CLOSED slightly higher in moderate trading. Toronto's 300 composite index finished up 11.21 to 3351.31 as advances outpaced declines 417 to 382.

Thais act to boost stock supply

THE THAI authorities are working towards the introduction of non-voting shares with no limits on foreign ownership to help absorb the growing demand from abroad for a piece of the action in burgeoning Bangkok.

Weak gold and oil prices hit Sydney

Australia

LOWER gold and oil prices took share prices lower in this volume, with the All Ordinaries index dropping by 10.9 to 1,444.6.

Hong Kong

INSTITUTIONS stayed on the sidelines and share prices ended mixed after a lacklustre session as Tokyo closed for a three-day holiday and no fresh news appeared to have an effect on trading.

Singapore

SMALL investors focused on hotel stocks as trading resumed in Hotel Marco Polo following last week's news of a revised offer for the hotels group from Wharf Holdings.

Property companies drew the most interest, amid continuing rumours of a possible bid for Hongkong Land. The issue added 20 cents to HK\$3.50, while Hysan rose 4 cents to 95 cents.

EUROPE

France and Spain perk up on takeover speculation

TRADING activity picked up in some European bourses yesterday as takeover talk resurged. French, Spanish and Swedish stocks were lifted by corporate activity and Belgium was boosted by optimism about a new government, but other hours remained depressed, writes Our Markets Staff.

London

INTERNATIONAL favourites British Telecom, Hanson and Rowntree saw active trading although the market was generally quiet amid interest rate fears.

Montedison and Ferruzzi, said Mr Enrico Pozzone of Kleinwort Grenvilles, "are in the restructuring and disposals over the next couple of months will bring back speculation and interest."

ASIA

Weak gold and oil prices hit Sydney

Australia

Hong Kong

Singapore

SOUTH AFRICA

PERSONAL INVESTMENT

Advertisement for Personal Investment exhibition at the Queen Elizabeth II Conference Centre, 7, 8 & 9 July 1988.

MILAN finished lower in very thin volume as investors remained on the sidelines waiting for fresh news.

FRANKFURT was hit by investor malaise and ended sharply lower amid concern over interest rate results from Siemens and also reported a 24 per cent rise in group attributable net profit of FF1,350m.

Foreign interest has helped the market rise 70 per cent this year, with the SET index at 412 yesterday compared with its December low of 243.

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Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co. Ltd., in conjunction with the Institute of Actuaries and the Faculty of Actuaries

Table with columns for National and Regional Markets (US Dollar, Day's Change, Point Sterling Index, Local Currency Index, Gross Div. Index) and Dollar Index (1988 High, 1988 Low, Year ago approx).

Base value: Dec 31, 1986 = 100; Fiscal: Dec 31, 1987 = 133,057 (US \$ Index), 90.79 (Point Sterling) and 94.94 (Local). Copyright: The Financial Times, Goldman, Sachs & Co., Wood Mackenzie & Co. Ltd. 1987. Japanese market closed May 3.